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RAISE PERSONAL EXEMPTION

House Bill 4374 (Substitute H-1)

Sponsor: Rep. Gloria Schermesser

House Bill 4985 (Substitute H-1)

Sponsor: Rep. John Freeman

Committee: Tax Policy

Complete to 6-2-98

A SUMMARY OF HOUSE BILLS 4374 AND 4985 (SUBSTITUTES H-1)

The bills would amend the Income Tax Act to increase the personal exemption. House Bill 4985 would add \$400 for the 2000 tax year and an additional \$300 for the 2001 tax year to the personal exemption. House Bill 4374 would add an additional \$300 in each of the years 2002, 2003, and 2004. The two bills are tie-barred to one another.

(The personal exemption provisions are currently structured so that the personal exemption for tax years after 1997 is \$2,500 adjusted annually for inflation and rounded to the nearest \$100, plus another \$200 after the inflation adjustment. The proposed additions in the two bills would also appear to be added after the annual inflation adjustment.)

MCL 206. 30 and 206.51b

House Bills 4374 and 4985 (6-2-98)

Analyst: C. Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.