

Legislative Analysis



INCOME TAX EXEMPTION: CARING FOR PARENT

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House Bill 4337

Sponsor: Rep. Rick Shaffer

1st Committee: Tax Policy

2nd Committee: Senior Health, Security, and Retirement

Complete to 1-3-06

A SUMMARY OF HOUSE BILL 4337 AS INTRODUCED 2-17-05

The bill would amend the Income Tax Act to allow a taxpayer to claim an additional exemption of \$1,800 if the taxpayer provides primary care for a parent who is a "senior citizen" and if the Department of Human Services determines that such care prevents institutionalization of that parent. The bill would apply to tax years beginning after December 31, 2004. [An exemption reduces the amount of income subject to tax.]

The bill defines "primary care" to mean acts that meet the physical or mental requirements of a family member who cannot meet those requirements without assistance or supervision, including acts relating to health, safety, nutrition, hygiene, homemaking, or other activities of daily living.

The act currently defines "senior citizen" to mean an individual who is 65 years of age or older or the unremarried surviving spouse of an individual who was 65 years of age or older at the time of death.

MCL 206.30

FISCAL IMPACT:

The bill would reduce income tax revenue by a small, indeterminate amount. The resulting reduction would likely be less than \$1.5 million.

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Fiscal Analyst: Jim Stansell

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