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BILL ANALYSIS

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Senate Bill 78 (as introduced 1-25-05)  
Sponsor: Senator Tony Stamas  
Committee: Finance

Date Completed: 3-1-06

### **CONTENT**

The bill would amend the Income Tax Act to provide that, for tax years beginning after December 31, 2004, a taxpayer could claim a single additional exemption for the tax year for which the taxpayer had a certificate of stillbirth from the Department of Community Health as provided under Section 2834 the Public Health Code (described below).

Under the Act, a taxpayer is allowed a personal exemption, plus an additional exemption for each dependant allowed on the taxpayer's Federal income tax return.

MCL 206.30

### **BACKGROUND**

Section 2834 of the Public Health Code requires that a fetal death occurring in the State be reported to the State Registrar within five days after delivery. Fetal death reports are permanent vital records and must be incorporated into the State's system of vital statistics. (The Code defines "fetal death" as the death of a fetus that has completed at least 20 weeks of gestation or weighs at least 400 grams. The State Registrar is a person appointed by the Director of the Department of Community Health to administer the system of vital statistics.)

Section 2834 requires the Department, with the information reported to it under these provisions, to create a certificate of stillbirth which must conform as nearly as possible to recognized national standardized forms and include at least the following information:

- The name of the fetus, if it was given a name by the parent or parents.
- The number of weeks gestation completed.
- The date of delivery and weight at the time of delivery.
- The name of the parents.
- The name of the health facility in which the fetus was delivered or the name of the health professional in attendance if the delivery was outside a health facility.

Legislative Analyst: J.P. Finet  
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### **FISCAL IMPACT**

The bill would reduce income tax revenue an estimated \$100,000 on a full-year basis. According to the Department of Community Health, there are about 750 stillbirths in Michigan annually. In the current tax year (2006), the income tax personal exemption equals \$3,300, which given the 3.9% tax rate, reduces a taxpayer's income tax liability by

\$128.70. Therefore, taxpayers that experience a stillbirth during 2006 would reduce their income tax liability by \$128.70. For the 2007 tax year, the personal exemption is expected to increase to \$3,400 because it is indexed to changes in the U.S. Consumer Price Index. Therefore, in 2007, taxpayers experiencing a stillbirth would receive a tax reduction of \$132.60. About 80% of this loss in revenue would affect the General Fund/General Purpose budget and the remaining 20% of the loss in revenue would affect the School Aid Fund. There would be no direct impact on local governments.

Fiscal Analyst: Jay Wortley

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