

HOUSE BILL NO. 6346

July 20, 2022, Introduced by Reps. Shannon and Lasinski and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.847) by adding section 476.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 476. (1) Each eligible taxpayer who filed an annual
- 2 return under this part for the 2021 tax year is allowed a
- 3 refundable credit against the tax imposed under this part in an
- 4 amount equal to the sum of the following:
- 5 (a) \$500.00 per household.
- 6 (b) An amount equal to the product of \$100.00 multiplied by

1 the number of qualifying dependents for which a dependency
2 exemption was claimed under section 30(2)(b) by the eligible
3 taxpayer on the annual return for that same tax year.

4 (2) A taxpayer who is an eligible taxpayer is considered to
5 have made an overpayment of the tax under this part for the 2021
6 tax year in an amount equal to the refundable credit allowed under
7 subsection (1). Only 1 spouse per household for a tax year is
8 entitled to claim the credit under this section. Subject to
9 subsection (5), the department shall immediately certify a refund
10 payment due under this section to the state disbursing authority
11 who shall pay the amount out of the proceeds of the tax in
12 accordance with the accounting laws of this state as provided in
13 section 30 of 1941 PA 122, MCL 205.30. A refund due to be paid
14 under this section is not subject to interest under section 30 of
15 1941 PA 122, MCL 205.30. No refund or credit shall be made or
16 allowed under this section after September 30, 2023.

17 (3) The refund payments allowed under this section may be
18 disbursed electronically to an account at a financial institution
19 of the eligible taxpayer's choice to which the eligible taxpayer
20 authorized the direct deposit of a refund of taxes on the annual
21 return filed under this part for the 2021 tax year. If the eligible
22 taxpayer did not include authorization for a direct deposit, the
23 department shall issue a negotiable check and send it by first-
24 class mail to the address shown on the annual return filed under
25 this part for the 2021 tax year.

26 (4) Within 15 days after the date on which the department
27 distributes a refund payment to an eligible taxpayer pursuant to
28 this section, the department shall send a written notice to the
29 eligible taxpayer's last known address. The written notice must

1 indicate the method by which the refund payment was made, the
2 amount of that payment, and a telephone number for the appropriate
3 point of contact at the department if the taxpayer fails to receive
4 that refund payment.

5 (5) The department shall not issue a refund payment under this
6 section unless the eligible taxpayer's annual return filed under
7 part 1 for the 2021 tax year includes each of the following, if
8 applicable:

9 (a) The eligible taxpayer's Social Security number. For a
10 joint return, the Social Security number for both spouses filing
11 the joint return.

12 (b) If qualifying dependents are claimed under section
13 30(2)(b), the Social Security number or adoption taxpayer
14 identification number, if applicable, for each qualifying
15 dependent.

16 (6) The department may issue a revenue administrative bulletin
17 or other notice as necessary to carry out the purposes of this
18 section, including any procedures or measures appropriate to avoid
19 allowing multiple credits or refund payments to a taxpayer.

20 (7) As used in this section:

21 (a) "Adjusted gross income" means the amount of adjusted gross
22 income on the annual return made to the United States Internal
23 Revenue Service for federal income tax purposes for the 2021 tax
24 year.

25 (b) "Eligible taxpayer" means a taxpayer who is an individual
26 who is a resident of this state and who has an adjusted gross
27 income of \$125,000.00 or less for a single return or \$250,000.00 or
28 less for a joint return. Eligible taxpayer includes spouses if they
29 are required to file a joint state income tax return. Eligible

1 taxpayer does not include an individual with respect to whom a
2 dependency exemption under section 30(2)(b) is allowable to another
3 taxpayer for the 2021 tax year.

4 (c) "Household" means an eligible taxpayer and spouse if they
5 are required to file a joint state income tax return.

6 (d) "Qualifying dependent" means a dependent who is a
7 qualifying child as defined in section 152 of the internal revenue
8 code.