

HOUSE BILL No. 5094

August 22, 1991, Introduced by Reps. London, Hoekman, Fitzgerald, Bodem, Sikkema, Horton, Sparks, Shugars, Jaye, Dobb, Dalman, Bandstra, Middleton, Willis Bullard, Bender, Martin, McBryde, Strand, Bobier, Bryant, Hillegonds, Munsell, McNutt and Nye and referred to the Committee on Taxation.

A bill to amend Act No. 281 of the Public Acts of 1967, entitled

"Income tax act of 1967,"

as amended, being sections 206.1 to 206.532 of the Michigan Compiled Laws, by adding section 265.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 281 of the Public Acts of 1967, as
2 amended, being sections 206.1 to 206.532 of the Michigan Compiled
3 Laws, is amended by adding section 265 to read as follows:

4 SEC. 265. (1) A TAXPAYER, OTHER THAN AN ESTATE OR A TRUST,
5 MAY CREDIT AGAINST THE TAX IMPOSED BY THIS ACT FOR THE TAXABLE
6 YEAR THE AMOUNT THAT THE COST PAID BY THE TAXPAYER TO PURCHASE A
7 FAMILY BASIC HEALTH POLICY OR \$1,200.00, WHICHEVER IS LESS, OR AN
8 INDIVIDUAL BASIC HEALTH POLICY OR \$900.00, WHICHEVER IS LESS,

1 EXCEEDS 6% OF THE TAXPAYER'S ADJUSTED GROSS INCOME FOR THAT
2 TAXABLE YEAR.

3 (2) A TAXPAYER WHO IS MARRIED SHALL FILE A JOINT RETURN TO
4 BE ELIGIBLE FOR THE CREDIT UNDER THIS SECTION EXCEPT THAT IF A
5 TAXPAYER WHO IS MARRIED FILES SEPARATELY, THE ADJUSTED GROSS
6 INCOME USED TO DETERMINE ELIGIBILITY UNDER SUBSECTION (1) SHALL
7 BE THE SUM OF THE ADJUSTED GROSS INCOMES OF BOTH SPOUSES.

8 (3) THE CREDIT ALLOWED UNDER THIS SECTION FOR A FAMILY BASIC
9 HEALTH POLICY SHALL NOT EXCEED \$600.00 PER YEAR. THE CREDIT
10 ALLOWED UNDER THIS SECTION FOR AN INDIVIDUAL BASIC HEALTH POLICY
11 SHALL NOT EXCEED \$450.00 PER YEAR.

12 (4) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX
13 LIABILITY OF THE TAXPAYER FOR THE TAXABLE YEAR OR IF THERE IS NO
14 TAX LIABILITY UNDER THIS ACT FOR THE TAXABLE YEAR, THE AMOUNT OF
15 THE CLAIM NOT USED TO OFFSET TAX LIABILITY UNDER THIS ACT SHALL
16 BE REFUNDED.

17 (5) AS USED IN THIS SECTION, "BASIC HEALTH POLICY" MEANS ANY
18 OF THE FOLLOWING:

19 (A) A BASIC HEALTH POLICY OR CERTIFICATE ISSUED PURSUANT TO
20 SECTION 3406F OF THE INSURANCE CODE OF 1956, ACT NO. 218 OF THE
21 PUBLIC ACTS OF 1956, BEING SECTION 500.3406F OF THE MICHIGAN
22 COMPILED LAWS, OR A BASIC HEALTH CERTIFICATE ISSUED PURSUANT TO
23 SECTION 502B OF THE NONPROFIT HEALTH CARE CORPORATION REFORM ACT,
24 ACT NO. 350 OF THE PUBLIC ACTS OF 1980, BEING SECTION 550.1502B
25 OF THE MICHIGAN COMPILED LAWS.

1 (B) A POLICY, CERTIFICATE, OR CONTRACT THAT OFFERS AT LEAST
2 THE HEALTH BENEFITS OR COVERAGE THAT IS OFFERED IN A BASIC HEALTH
3 POLICY AS DEFINED IN SUBDIVISION (A).

4 (C) ANY OTHER HEALTH POLICY, CERTIFICATE, OR CONTRACT
5 APPROVED BY THE COMMISSIONER.