



Romney Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

STRIKE PROHIBITION ON DRUG CREDIT FOR FACILITY RESIDENTS

House Bill 4083
Sponsor: Rep. Gerald Law
Committee: Tax Policy

Complete to 4-29-99

A SUMMARY OF HOUSE BILL 4083 AS INTRODUCED 1-28-99

A senior citizen prescription drug credit is available under the Income Tax Act for people 65 years of age or older who meet specified income guidelines and other criteria. The act says the credit is not available to a resident in a health care or mental health facility licensed or operated by the state (except for a resident of a licensed home for the aged). House Bill 4083 would eliminate that provision and make the credit available to residents of health care and mental health facilities. The bill would take effect January 1, 1999.

(The act allows an eligible person to claim a refundable credit equal to the amount by which the person's out-of-pocket expenditures for prescription drugs exceeded five percent of household income, up to \$600. To be eligible, a senior's household income cannot exceed 150 percent of the federal poverty income standards. There is a \$20 million cap on the total amount of credits available.)

MCL 206.273

House Bill 4083 (4-29-99)

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.