
Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 5390 (as passed by the House)
Sponsor: Representative Scott Shackleton
House Committee: Tax Policy
Senate Committee: Finance

Date Completed: 3-6-00

CONTENT

The bill would amend the Income Tax Act to increase and expand the extra exemption that a taxpayer may claim for child dependents.

Currently, a taxpayer may deduct from taxable income \$600 for each child dependent younger than seven years old, and \$300 for each child dependent at least seven but younger than 13 years old. This exemption is in addition to the standard dependency exemption allowed under the Act.

The bill provides that for tax years beginning after 1999, a taxpayer could deduct from taxable income \$600 for each child dependent who was younger than 19 on the last day of the tax year.

MCL 206.30d

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would reduce income tax revenue an estimated \$20.3 million in FY 1999-2000 and \$26.5 million in FY 2000-01. This loss in revenue would affect General Fund/General Purpose revenue.

Fiscal Analyst: J. Wortley

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