

Legislative Analysis



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Senate Bill 150

Sponsor: Sen. Jason E. Allen
House Committee: Tax Policy
Senate Committee: Finance

Complete to 3-11-08

A SUMMARY OF SENATE BILL 150 AS PASSED BY THE SENATE 2-26-08

The bill would amend the Income Tax Act to allow a taxpayer to claim a credit for the value of food items donated to homeless shelters, food kitchens, food banks, and similar entities. The bill would apply to the 2008 tax year and beyond.

The food donations would be included in the credit now permitted for cash contributions to these organizations. The act permits a taxpayer to credit 50 percent of cash contributions; the bill would allow a credit for 50 percent of the sum of cash contributions and food contributions. The current limits on the credit would remain the same: \$100 for a single filer and \$200 for joint filers.

MCL 206.261

FISCAL IMPACT:

This bill would reduce GF/GP revenue annually by an estimated \$2 to \$4 million. In tax year 2005, 235,900 taxpayers claimed \$18.2 million in homeless/food bank credits through cash donations. This bill would have no direct fiscal impact on local units of government.

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Fiscal Analyst: Rebecca Ross

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