SENATE BILL No. 750

Introduced by Senators KNOLLENBERG and BRANDENBURG and referred to the Committee on Finance.

A bill to amend 1964 PA 284, entitled

"City income tax act,"

by amending section 31 (MCL 141.631), as amended by 1988 PA 120.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1   Sec. 31. (1) An individual taxpayer in computing his or her

2 taxable income is allowed deductions for the full personal and

3 dependency exemptions authorized by the federal internal revenue

4 code **IF THE EXEMPTION AMOUNT PURSUANT TO THE INTERNAL REVENUE CODE**

5 **WAS GREATER THAN ZERO** or, on the passage of a further ordinance, a

6 deduction of a minimum of $600.00 for each personal and dependency

7 exemption under the rules for determining exemptions and dependents

8 as provided in the federal internal revenue code **REGARDLESS OF THE**

9 **AMOUNT OF THE EXEMPTION UNDER THE INTERNAL REVENUE CODE**. The

10 taxpayer may claim his or her spouse and dependents as exemptions,

1 but if the taxpayer and the spouse are both subject to the tax

2 imposed by this ordinance, the number of exemptions claimed by each

3 of them when added together shall not exceed the total number of

4 exemptions allowed under this ordinance.

5 (2) ~~For tax years beginning after 1986, an~~ **AN** additional

6 exemption is allowed under subsection (1), upon passage of a

7 further ordinance, for a taxpayer who is 65 years of age or older,

8 or who is blind as defined in section 504 of the income tax act of

9 1967, ~~Act No. 281 of the Public Acts of 1967, being section 206.504~~

10 ~~of the Michigan Compiled Laws,~~ **1967 PA 281, MCL 206.504,** or if the

11 taxpayer is both 65 years of age or older and blind, 2 additional

12 exemptions are allowed under subsection (1). ~~For tax years~~

13 ~~beginning after 1987, upon~~ **UPON** passage of a further ordinance, an

14 additional exemption is allowed under subsection (1) for a taxpayer

15 who is a paraplegic, quadriplegic, hemiplegic, or totally and

16 permanently disabled person as **DISABILITY IS** defined in section 216

17 of title II of the social security act, 42 ~~U.S.C.~~ **USC** 416, or a

18 taxpayer who is a deaf person as defined in section 2 of the deaf

19 persons' interpreters act, ~~Act No. 204 of the Public Acts of 1982,~~

20 ~~being section 393.502 of the Michigan Compiled Laws.~~ **1982 PA 204,**

21 **MCL 393.502.** If the taxpayer qualifies for an additional exemption

22 under more than 1 of the following, an additional exemption is

23 allowed for each of the following for which the taxpayer qualifies:

24 (a) A taxpayer who is a paraplegic, quadriplegic, or

25 hemiplegic, or who is a totally or permanently disabled person as

26 **DISABILITY IS** defined in section 216 of title II of the social

27 security act, 42 ~~U.S.C.~~ **USC** 416.

1   (b) A taxpayer who is blind as defined in section 504 of the

2   income tax act of 1967, ~~Act No. 281 of the Public Acts of 1967,~~

3   ~~being section 206.504 of the Michigan Compiled Laws.~~**1967 PA 281,**

4   **MCL 206.504.**

5   (c) A taxpayer who is a deaf person as defined in section 2 of

6   the deaf persons' interpreters act, ~~Act No. 204 of the Public Acts~~

7   ~~of 1982, being section 393.502 of the Michigan Compiled Laws.~~**1982**

8   **PA 204, MCL 393.502.**

9   (d) A taxpayer who is 65 years of age or older.

10   (3) ~~For tax years beginning after 1986 and upon~~ **UPON** passage

11   of a further ordinance, a city, as determined by its governing

12   body, may provide for either an exemption from the tax levied under

13   this act if that person's adjusted gross income for that tax year

14   is less than a certain amount to be as specified by the ordinance,

15   or an exemption in an amount to be specified by the ordinance, for

16   a person with respect to whom a deduction under section 151 of the

17   internal revenue code is allowable**, OR WOULD BE ALLOWABLE IF THE**

18   **EXEMPTION AMOUNT WAS GREATER THAN ZERO,** to another federal taxpayer

19   during the tax year and is therefore not considered to have a

20   federal personal exemption under subsection (1).