

Legislative Analysis



ADDING DEFINITION FOR INTERNAL REVENUE CODE

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4820 as reported from committee

Sponsor: Rep. Pat Outman

Committee: Tax Policy

Complete to 3-11-22

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4820 would amend the Michigan Education Trust Act to provide a definition of the federal Internal Revenue Code that identifies which version of the Internal Revenue Code applies when it is referenced in the act.

The Michigan Education Trust Act currently contains five references to the Internal Revenue Code, and there may be concern that future amendments to the Internal Revenue Code could inadvertently change the effect of provisions in the act.

Accordingly, the bill would add a definition of the Internal Revenue Code to mean the version of the Internal Revenue Code in effect on January 1, 2021.

MCL 390.1424

FISCAL IMPACT:

Adding the U.S. Internal Revenue Code citation to the list of definitions just simplifies references made elsewhere in the act and would have no state or local fiscal impact.

POSITIONS:

A representative of the Department of Treasury testified in support of the bill. (5-12-21)

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