

SENATE BILL NO. 308

May 15, 2025, Introduced by Senator HERTEL and referred to Committee on Housing and Human Services.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.847) by adding section 272b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 272b. (1) Except as otherwise provided under this
2 section, for tax years that begin on and after January 1, 2025, a
3 qualified taxpayer may claim a credit against the tax imposed by
4 this part equal to \$5,500.00 for each qualified dependent of the
5 qualified taxpayer for which an exemption was claimed under section
6 30(2)(b) for that same tax year. A qualified taxpayer who is

1 enrolled in an Rx Kids program and has received payments under an
2 Rx Kids program during the tax year is not eligible to claim a
3 credit under this section for that same tax year. The amount of the
4 credit allowed to be claimed under this section for the tax year
5 must be reduced by the amount of any advance refund payments issued
6 to the taxpayer under subsection (2) for that same tax year.

7 (2) The department shall establish a program for making
8 monthly payments to qualified taxpayers, with payments, in the
9 aggregate during any tax year, equaling the annual advance refund
10 payment amount estimated by the department based on the qualified
11 taxpayer's annual return filed for the immediately preceding tax
12 year with respect to that qualified taxpayer for the current tax
13 year. Except as otherwise provided under this subsection, the
14 monthly payments made to any qualified taxpayer for any tax year
15 must be in equal amounts. The department may adjust the amount of
16 any monthly payment to reflect an excess or deficit in prior
17 payments as determined necessary by the department. Before January
18 31 of each year, the department shall provide each qualified
19 taxpayer that the department determines is eligible for the credit
20 under this section with a written notice of the advance refund
21 payments to be made during the tax year and the aggregate amount of
22 those payments. The advance refund payments issued under this
23 subsection may be disbursed electronically to an account at a
24 financial institution of the qualified taxpayer's choice to which
25 the qualified taxpayer authorized the direct deposit of a refund of
26 taxes on the annual return filed under this part for the
27 immediately preceding tax year. If the qualified taxpayer did not
28 include authorization for a direct deposit, the department shall
29 issue a negotiable check and send it by first-class mail to the

1 address shown on the annual return filed under this part for the
2 immediately preceding tax year.

3 (3) If the credit allowed under this section exceeds the tax
4 liability of the qualified taxpayer for the tax year, that portion
5 of the credit that exceeds the tax liability must be refunded.

6 (4) As used in this section:

7 (a) "Qualified dependent" means a dependent who is 4 years of
8 age or less on the last day of the tax year for which the credit is
9 claimed.

10 (b) "Qualified taxpayer" means a taxpayer with a household
11 income of not more than 150% of the state median income.

12 (c) "Rx Kids program" means a program of Michigan State
13 University Pediatric Public Health Initiative, in collaboration
14 with Poverty Solutions at the University of Michigan, and
15 administered by GiveDirectly.

16 (d) "State median income" means that term as defined under 42
17 USC 8622 and published by the Secretary of the United States
18 Department of Health and Human Services for the federal low income
19 home energy assistance program.