

SENATE BILL NO. 606

May 19, 1999, Introduced by Senators SHUGARS, NORTH, GOSCHKA, ROGERS, HAMMERSTROM and JAYE and referred to the Committee on Health Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 273 (MCL 206.273), as added by 1988 PA 516.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 273. (1) For a tax year beginning after 1988, an indi-
2 vidual ~~meeting~~ WHO MEETS the qualifications prescribed in sub-
3 section (2) may claim a refundable credit equal to the amount by
4 which the individual's expenditures for prescription drugs exceed
5 5% of household income, but not more than \$600.00 per
6 individual. An expenditure for a prescription drug shall not be
7 included in the calculation of this credit unless the prescrip-
8 tion drug is purchased directly by the individual and the cost of
9 the prescription drug is not covered by a third party
10 reimbursement plan.

1 following the tax year for which the credit is claimed. The
2 department shall administer the credit under this section as a
3 refundable credit.

4 (4) The total amount of the credits refunded under this sec-
5 tion for each tax year shall not exceed \$20,000,000.00 minus the
6 amount expended in that tax year for the older Michiganians phar-
7 maceutical assistance fund. The department shall reduce each
8 credit under this section by the percentage necessary to limit
9 the total credits to the maximum provided by this subsection.

10 (5) As used in this section:

11 (a) "Household income" means that term as defined in section
12 508.

13 (b) "Prescription drug" means that term as defined in sec-
14 tion 17708 of the public health code, ~~Act No. 368 of the Public~~
15 ~~Acts of 1978, being section 333.17708 of the Michigan Compiled~~
16 ~~Laws~~ 1978 PA 368, MCL 333.17708. In addition, prescription drug
17 includes insulin, syringes, and needles.