

# HOUSE BILL No. 5421

January 16, 2018, Introduced by Reps. Noble, Hauck and Tedder and referred to the Committee on Tax Policy.

A bill to amend 1964 PA 284, entitled "City income tax act," by amending sections 31 and 44 of chapter 2 (MCL 141.631 and 141.644), section 31 as amended by 1988 PA 120.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

CHAPTER 2

Sec. 31. (1) An individual taxpayer in computing his or her taxable income is allowed deductions for the full personal and dependency exemptions authorized by ~~the federal internal revenue code~~ **PART 1 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.1 TO 206.532** or, on the passage of a further ordinance, a deduction of a minimum of \$600.00 for each personal and dependency exemption under the rules for determining exemptions and dependents as

1 provided in ~~the federal internal revenue code.~~ **PART 1 OF THE INCOME**  
2 **TAX ACT OF 1967, 1967 PA 281, MCL 206.1 TO 206.532.** The taxpayer  
3 may claim his or her spouse and dependents as exemptions, but if  
4 the taxpayer and the spouse are both subject to the tax imposed by  
5 this ordinance, the number of exemptions claimed by each of them  
6 when added together shall not exceed the total number of exemptions  
7 allowed under this ordinance.

8 (2) ~~For tax years beginning after 1986, an~~ **AN** additional  
9 exemption is allowed under subsection (1), upon passage of a  
10 further ordinance, for a taxpayer who is 65 years of age or older,  
11 or who is blind as defined in section 504 of the income tax act of  
12 1967, ~~Act No. 281 of the Public Acts of 1967, being section 206.504~~  
13 ~~of the Michigan Compiled Laws, 1967 PA 281, MCL 206.504,~~ or if the  
14 taxpayer is both 65 years of age or older and blind, 2 additional  
15 exemptions are allowed under subsection (1). ~~For tax years~~  
16 ~~beginning after 1987, upon~~ **UPON** passage of a further ordinance, an  
17 additional exemption is allowed under subsection (1) for a taxpayer  
18 who is a paraplegic, quadriplegic, hemiplegic, or totally and  
19 permanently disabled person as **DISABILITY IS** defined in section 216  
20 of title II of the social security act, 42 ~~U.S.C.~~ **USC** 416, or a  
21 taxpayer who is a deaf person as defined in section 2 of the deaf  
22 persons' interpreters act, ~~Act No. 204 of the Public Acts of 1982,~~  
23 ~~being section 393.502 of the Michigan Compiled Laws. 1982 PA 204,~~  
24 **MCL 393.502.** If the taxpayer qualifies for an additional exemption  
25 under more than 1 of the following, an additional exemption is  
26 allowed for each of the following for which the taxpayer qualifies:

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

1 hemiplegic, or who is a totally or permanently disabled person as  
2 **DISABILITY IS** defined in section 216 of title II of the social  
3 security act, 42 ~~U.S.C.~~ **USC** 416.

4 (b) A taxpayer who is blind as defined in section 504 of the  
5 income tax act of 1967, ~~Act No. 281 of the Public Acts of 1967,~~  
6 ~~being section 206.504 of the Michigan Compiled Laws.~~ **1967 PA 281,**  
7 **MCL 206.504.**

8 (c) A taxpayer who is a deaf person as defined in section 2 of  
9 the deaf persons' interpreters act, ~~Act No. 204 of the Public Acts~~  
10 ~~of 1982, being section 393.502 of the Michigan Compiled Laws.~~ **1982**  
11 **PA 204, MCL 393.502.**

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

13 (3) ~~For tax years beginning after 1986 and upon~~ **UPON** passage  
14 of a further ordinance, a city, as determined by its governing  
15 body, may provide for either an exemption from the tax levied under  
16 this act if that person's adjusted gross income for that tax year  
17 is less than a certain amount to be as specified by the ordinance,  
18 or an exemption in an amount to be specified by the ordinance, for  
19 a person with respect to whom a deduction under ~~section 151 of the~~  
20 ~~internal revenue code~~ **PART 1 OF THE INCOME TAX ACT OF 1967, 1967 PA**  
21 **281, MCL 206.1 TO 206.532** is allowable to another ~~federal~~ taxpayer  
22 during the tax year and is therefore not considered to have a  
23 ~~federal~~ personal exemption under subsection (1).

24 Sec. 44. Where total income, total deductions, net profits, or  
25 other figures are derived from the taxpayer's federal income tax  
26 return, any item of income not subject to the city income tax and  
27 unallowable deductions shall be eliminated in determining net

1 income subject to the city tax. The fact that a taxpayer is not  
2 required to file a federal income tax return does not relieve him  
3 **OR HER** from filing a city tax return.

4 Enacting section 1. This amendatory act does not take effect  
5 unless all of the following bills of the 99th Legislature are  
6 enacted into law:

7 (a) Senate Bill No. \_\_\_\_\_ or House Bill No. 5422 (request no.  
8 04390'17).

9 (b) Senate Bill No. \_\_\_\_\_ or House Bill No. 5420 (request no.  
10 05182'17 \*).