

Fiscal Analysis

INCOME TAX; LONG-TERM CARE PREMIUMS DEDUCTION



Bill/Sponsor HOUSE BILL 4292 (H-1) As Reported, Rep. Christopher Ward

House Committee Tax Policy

Analysis

Summary

House Bill (HB) 4292 (H-1) as reported would amend the income tax act to allow taxpayers to deduct from taxable income premiums paid to obtain long-term care benefits, to the extent not deducted in calculating adjusted gross income, beginning in tax year 2005.

Fiscal Impact

House Bill 4292 (H-1) would reduce income tax revenue by an estimated \$21 million in tax year 2005. Approximately 77% of this reduction would affect the General Fund/General Purpose (GF/GP) and 23% would affect the School Aid Fund (SAF). However, to the extent tax benefits are taken through refunds, the GF/GP affect would be greater and the SAF would be less.

Analyst(s)

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FLOOR ANALYSIS - 10/17/03

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