

# SENATE BILL No. 947

February 3, 2004, Introduced by Senators PATTERSON, BISHOP, KUIPERS, HAMMERSTROM, GEORGE, VAN WOERKOM, TOY, BIRKHOLZ, GARCIA, BROWN, HARDIMAN, ALLEN and GOSCHKA and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 269; and to repeal acts and parts of acts.

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

1       Sec. 269. (1) For tax years that begin after December 31,  
2 2003, a taxpayer, other than a resident estate or trust, may  
3 claim a credit against the tax imposed by this act equal to 3.3%  
4 of the amount contributed in the tax year by the taxpayer to a  
5 medical care savings account to the extent that the contribution  
6 is accepted by an account administrator pursuant to the medical  
7 care savings account program act.

8       (2) The credit under this section shall not be taken unless  
9 the taxpayer who establishes a medical care savings account or on  
10 whose behalf a medical care savings account is established is not

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1 covered by any health coverage policy, certificate, or contract  
2 or self-funded plan other than a qualified higher deductible  
3 health plan purchased pursuant to the medical care savings  
4 account program act.

5 (3) If the taxpayer files a joint return, each joint filer  
6 may take the credit under this section if he or she meets the  
7 restriction under subsection (2). If the taxpayer is married and  
8 files a single return or is not married, the taxpayer may take  
9 the credit under this section if he or she meets the restriction  
10 under subsection (2).

11 (4) A taxpayer shall deduct from the amount of a contribution  
12 used to calculate the credit under this section any amount that  
13 the taxpayer withdraws in the tax year for a purpose other than 1  
14 of the following:

15 (a) A purpose for which those funds may be utilized as  
16 described in section 4(3) of the medical care savings account  
17 program act.

18 (b) A distribution or transfer pursuant to section 5(3) or  
19 (5) of the medical care savings account program act.

20 (5) If the amount of the credit exceeds the tax liability of  
21 the taxpayer for the tax year, that portion of the credit that  
22 exceeds the tax liability shall not be refunded.

23 (6) As used in this section:

24 (a) "Account administrator" and "medical care savings  
25 account" mean those terms as defined in the medical care savings  
26 account program act.

27 (b) "Medical care savings account program act" means the

