



**House
Legislative
Analysis
Section**

Manufacturer's Bank Building, 12th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

INDIVIDUAL MEDICAL ACCOUNT DEDUCTION

House Bill 4280

Sponsor: Rep. Gerald H. Law

Committee: Taxation

Complete to 6-30-89

A SUMMARY OF HOUSE BILL 4280 AS INTRODUCED 2-22-89

The bill would amend the Income Tax Act to provide a deduction from taxable income for the amount of a contribution to an individual medical account and the amount of interest earned on such an account. However, a withdrawal from an individual medical account, the interest earned on the account in the year of the withdrawal, and 10 percent of the interest earned on the account up to the date of the withdrawal would have to be added back into the taxpayer's taxable income when calculating tax liability. The bill is tie-barred to House Bill 4279, which would create an act to provide for the establishment of individual medical accounts.

MCL 206.30

House Bill 4280 (6-30-89)