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## INCOME TAX CREDIT: RESIDENTS OF AFRICAN-AMERICAN DESCENT

**House Bill 5562**  
**Sponsor: Rep. Derrick Hale**  
**Committee: Tax Policy**

**Complete to 9-13-00**

### A SUMMARY OF HOUSE BILL 5562 AS INTRODUCED 4-11-00

The bill would amend the Income Tax Act to allow certain taxpayers of African-American descent to claim a credit against the state income tax equal to \$16,500 for 20 consecutive years, starting with the tax year that begins in calendar year 2000. The total amount that could be claimed for all tax years by a taxpayer could not exceed \$330,000. The credit would be refundable; that is, the amount of the credit that exceeded tax liability would be refunded to the taxpayer. (A credit directly reduces a taxpayer's tax liability.)

To qualify for the credit, a taxpayer would have to be an individual who:

- 1) was born in the state, had a birth certificate stating he or she is of African-American descent, and had resided in the state for the 10 years immediately preceding the tax year in which the credit was first claimed; or
- 2) had resided in the state for the 10 years immediately preceding the first year in which the tax credit was first claimed and could prove that he or she is of African-American descent.

MCL 206.267

Analyst: C. Couch

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