

Legislative Analysis



BLOOD DONATION TAX CREDIT

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4068 as introduced
Sponsor: Rep. Rachel Hood
Committee: Tax Policy
Complete to 4-12-23

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4068 would amend the Income Tax Act to create a refundable individual income tax credit for taxpayers who make *verified blood donations*. The credit would be worth \$25 for each donation made during a tax year and would be for tax years beginning on or after January 1, 2023. The Department of Treasury could require taxpayers to submit documentation or other reasonable proof to support the number of donations claimed with a tax return.

A *verified blood donation* would mean a *blood donation* made by an individual that is documented by the nonprofit blood bank organization.

A *blood donation* would mean the voluntary and uncompensated donation of whole blood, or specific components of blood, by an individual, drawn for use by a nonprofit blood bank organization as part of a blood drive.

Proposed MCL 206.253

FISCAL IMPACT:

Based on information provided by the American Red Cross, scaled to Michigan, a \$25 per donation refundable credit would reduce income tax revenue by an estimated \$10 million to \$13 million on an annual basis. If the credit resulted in a larger refund, the impact would be borne entirely by the general fund. To the extent that the credit reduced annual payments, the School Aid Fund would absorb roughly 25% of the cost, with the remainder coming from the general fund.

Legislative Analyst: Alex Stegbauer
Fiscal Analysts: Ben Gielczyk
Jim Stansell

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