

**SUBSTITUTE FOR
HOUSE BILL NO. 4124**

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 30 (MCL 206.30), as amended by 2012 PA 597.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 30. (1) "Taxable income" means, for a person other than a
2 corporation, estate, or trust, adjusted gross income as defined in
3 the internal revenue code subject to the following adjustments
4 under this section:

5 (a) Add gross interest income and dividends derived from
6 obligations or securities of states other than Michigan, in the
7 same amount that has been excluded from adjusted gross income less
8 related expenses not deducted in computing adjusted gross income
9 because of section 265(a)(1) of the internal revenue code.

10 (b) Add taxes on or measured by income to the extent the taxes

1 have been deducted in arriving at adjusted gross income.

2 (c) Add losses on the sale or exchange of obligations of the
3 United States government, the income of which this state is
4 prohibited from subjecting to a net income tax, to the extent that
5 the loss has been deducted in arriving at adjusted gross income.

6 (d) Deduct, to the extent included in adjusted gross income,
7 income derived from obligations, or the sale or exchange of
8 obligations, of the United States government that this state is
9 prohibited by law from subjecting to a net income tax, reduced by
10 any interest on indebtedness incurred in carrying the obligations
11 and by any expenses incurred in the production of that income to
12 the extent that the expenses, including amortizable bond premiums,
13 were deducted in arriving at adjusted gross income.

14 (e) Deduct, to the extent included in adjusted gross income,
15 the following:

16 (i) Compensation, including retirement benefits, received for
17 services in the armed forces of the United States.

18 (ii) Retirement or pension benefits under the railroad
19 retirement act of 1974, 45 USC 231 to 231v.

20 (iii) ~~beginning~~ **BEGINNING** January 1, 2012, retirement or
21 pension benefits received for services in the Michigan ~~national~~
22 ~~guard~~ **NATIONAL GUARD**.

23 (f) Deduct the following to the extent included in adjusted
24 gross income subject to the limitations and restrictions set forth
25 in subsection (9):

26 (i) Retirement or pension benefits received from a federal
27 public retirement system or from a public retirement system of or

1 created by this state or a political subdivision of this state.

2 (ii) Retirement or pension benefits received from a public
3 retirement system of or created by another state or any of its
4 political subdivisions if the income tax laws of the other state
5 permit a similar deduction or exemption or a reciprocal deduction
6 or exemption of a retirement or pension benefit received from a
7 public retirement system of or created by this state or any of the
8 political subdivisions of this state.

9 (iii) Social security benefits as defined in section 86 of the
10 internal revenue code.

11 (iv) Beginning on and after January 1, 2007, retirement or
12 pension benefits not deductible under subparagraph (i) or
13 subdivision (e) from any other retirement or pension system or
14 benefits from a retirement annuity policy in which payments are
15 made for life to a senior citizen, to a maximum of \$42,240.00 for a
16 single return and \$84,480.00 for a joint return. The maximum
17 amounts allowed under this subparagraph shall be reduced by the
18 amount of the deduction for retirement or pension benefits claimed
19 under subparagraph (i) or subdivision (e) and by the amount of a
20 deduction claimed under subdivision (p). For the 2008 tax year and
21 each tax year after 2008, the maximum amounts allowed under this
22 subparagraph shall be adjusted by the percentage increase in the
23 United States consumer price index for the immediately preceding
24 calendar year. The department shall annualize the amounts provided
25 in this subparagraph as necessary. As used in this subparagraph,
26 "senior citizen" means that term as defined in section 514.

27 (v) The amount determined to be the section 22 amount eligible

1 for the elderly and the permanently and totally disabled credit
2 provided in section 22 of the internal revenue code.

3 (g) Adjustments resulting from the application of section 271.

4 (h) Adjustments with respect to estate and trust income as
5 provided in section 36.

6 (i) Adjustments resulting from the allocation and
7 apportionment provisions of chapter 3.

8 (j) Deduct the following payments made by the taxpayer in the
9 tax year:

10 (i) For the 2010 tax year and each tax year after 2010, the
11 amount of a charitable contribution made to the advance tuition
12 payment fund created under section 9 of the Michigan education
13 trust act, 1986 PA 316, MCL 390.1429.

14 (ii) The amount of payment made under an advance tuition
15 payment contract as provided in the Michigan education trust act,
16 1986 PA 316, MCL 390.1421 to 390.1442.

17 (iii) The amount of payment made under a contract with a
18 private sector investment manager that meets all of the following
19 criteria:

20 (A) The contract is certified and approved by the board of
21 directors of the Michigan education trust to provide equivalent
22 benefits and rights to purchasers and beneficiaries as an advance
23 tuition payment contract as described in subparagraph (ii).

24 (B) The contract applies only for a state institution of
25 higher education as defined in the Michigan education trust act,
26 1986 PA 316, MCL 390.1421 to 390.1442, or a community or junior
27 college in Michigan.

1 (C) The contract provides for enrollment by the contract's
2 qualified beneficiary in not less than 4 years after the date on
3 which the contract is entered into.

4 (D) The contract is entered into after either of the
5 following:

6 (I) The purchaser has had his or her offer to enter into an
7 advance tuition payment contract rejected by the board of directors
8 of the Michigan education trust, if the board determines that the
9 trust cannot accept an unlimited number of enrollees upon an
10 actuarially sound basis.

11 (II) The board of directors of the Michigan education trust
12 determines that the trust can accept an unlimited number of
13 enrollees upon an actuarially sound basis.

14 (k) If an advance tuition payment contract under the Michigan
15 education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, or
16 another contract for which the payment was deductible under
17 subdivision (j) is terminated and the qualified beneficiary under
18 that contract does not attend a university, college, junior or
19 community college, or other institution of higher education, add
20 the amount of a refund received by the taxpayer as a result of that
21 termination or the amount of the deduction taken under subdivision
22 (j) for payment made under that contract, whichever is less.

23 (l) Deduct from the taxable income of a purchaser the amount
24 included as income to the purchaser under the internal revenue code
25 after the advance tuition payment contract entered into under the
26 Michigan education trust act, 1986 PA 316, MCL 390.1421 to
27 390.1442, is terminated because the qualified beneficiary attends

1 an institution of postsecondary education other than either a state
2 institution of higher education or an institution of postsecondary
3 education located outside this state with which a state institution
4 of higher education has reciprocity.

5 (m) Add, to the extent deducted in determining adjusted gross
6 income, the net operating loss deduction under section 172 of the
7 internal revenue code.

8 (n) Deduct a net operating loss deduction for the taxable year
9 as determined under section 172 of the internal revenue code
10 subject to the modifications under section 172(b)(2) of the
11 internal revenue code and subject to the allocation and
12 apportionment provisions of chapter 3 of this part for the taxable
13 year in which the loss was incurred.

14 (o) Deduct, to the extent included in adjusted gross income,
15 benefits from a discriminatory self-insurance medical expense
16 reimbursement plan.

17 (p) Beginning on and after January 1, 2007, subject to any
18 limitation provided in this subdivision, a taxpayer who is a senior
19 citizen may deduct to the extent included in adjusted gross income,
20 interest, dividends, and capital gains received in the tax year not
21 to exceed \$9,420.00 for a single return and \$18,840.00 for a joint
22 return. The maximum amounts allowed under this subdivision shall be
23 reduced by the amount of a deduction claimed for retirement
24 benefits under subdivision (e) or a deduction claimed under
25 subdivision (f)(i), (ii), (iv), or (v). For the 2008 tax year and
26 each tax year after 2008, the maximum amounts allowed under this
27 subdivision shall be adjusted by the percentage increase in the

1 United States consumer price index for the immediately preceding
2 calendar year. The department shall annualize the amounts provided
3 in this subdivision as necessary. Beginning January 1, 2012, the
4 deduction under this subsection is not available to a senior
5 citizen born after 1945. As used in this subdivision, "senior
6 citizen" means that term as defined in section 514.

7 (q) Deduct, to the extent included in adjusted gross income,
8 all of the following:

9 (i) The amount of a refund received in the tax year based on
10 taxes paid under this part.

11 (ii) The amount of a refund received in the tax year based on
12 taxes paid under the city income tax act, 1964 PA 284, MCL 141.501
13 to 141.787.

14 (iii) The amount of a credit received in the tax year based on
15 a claim filed under sections 520 and 522 to the extent that the
16 taxes used to calculate the credit were not used to reduce adjusted
17 gross income for a prior year.

18 (r) Add the amount paid by the state on behalf of the taxpayer
19 in the tax year to repay the outstanding principal on a loan taken
20 on which the taxpayer defaulted that was to fund an advance tuition
21 payment contract entered into under the Michigan education trust
22 act, 1986 PA 316, MCL 390.1421 to 390.1442, if the cost of the
23 advance tuition payment contract was deducted under subdivision (j)
24 and was financed with a Michigan education trust secured loan.

25 (s) Deduct, to the extent included in adjusted gross income,
26 any amount, and any interest earned on that amount, received in the
27 tax year by a taxpayer who is a Holocaust victim as a result of a

1 settlement of claims against any entity or individual for any
2 recovered asset pursuant to the German act regulating unresolved
3 property claims, also known as Gesetz zur Regelung offener
4 Vermögensfragen, as a result of the settlement of the action
5 entitled In re: Holocaust victim assets litigation, CV-96-4849, CV-
6 96-5161, and CV-97-0461 (E.D. NY), or as a result of any similar
7 action if the income and interest are not commingled in any way
8 with and are kept separate from all other funds and assets of the
9 taxpayer. As used in this subdivision:

10 (i) "Holocaust victim" means a person, or the heir or
11 beneficiary of that person, who was persecuted by Nazi Germany or
12 any Axis regime during any period from 1933 to 1945.

13 (ii) "Recovered asset" means any asset of any type and any
14 interest earned on that asset including, but not limited to, bank
15 deposits, insurance proceeds, or artwork owned by a Holocaust
16 victim during the period from 1920 to 1945, withheld from that
17 Holocaust victim from and after 1945, and not recovered, returned,
18 or otherwise compensated to the Holocaust victim until after 1993.

19 (t) Deduct, to the extent not deducted in determining adjusted
20 gross income, both of the following:

21 (i) Contributions made by the taxpayer in the tax year less
22 qualified withdrawals made in the tax year from education savings
23 accounts, calculated on a per education savings account basis,
24 pursuant to the Michigan education savings program act, 2000 PA
25 161, MCL 390.1471 to 390.1486, not to exceed a total deduction of
26 \$5,000.00 for a single return or \$10,000.00 for a joint return per
27 tax year. The amount calculated under this subparagraph for each

1 education savings account shall not be less than zero.

2 (ii) The amount under section 30f.

3 (u) Add, to the extent not included in adjusted gross income,
4 the amount of money withdrawn by the taxpayer in the tax year from
5 education savings accounts, not to exceed the total amount deducted
6 under subdivision (t) in the tax year and all previous tax years,
7 if the withdrawal was not a qualified withdrawal as provided in the
8 Michigan education savings program act, 2000 PA 161, MCL 390.1471
9 to 390.1486. This subdivision does not apply to withdrawals that
10 are less than the sum of all contributions made to an education
11 savings account in all previous tax years for which no deduction
12 was claimed under subdivision (t), less any contributions for which
13 no deduction was claimed under subdivision (t) that were withdrawn
14 in all previous tax years.

15 (v) A taxpayer who is a resident tribal member may deduct, to
16 the extent included in adjusted gross income, all nonbusiness
17 income earned or received in the tax year and during the period in
18 which an agreement entered into between the taxpayer's tribe and
19 this state pursuant to section 30c of 1941 PA 122, MCL 205.30c, is
20 in full force and effect. As used in this subdivision:

21 (i) "Business income" means business income as defined in
22 section 4 and apportioned under chapter 3.

23 (ii) "Nonbusiness income" means nonbusiness income as defined
24 in section 14 and, to the extent not included in business income,
25 all of the following:

26 (A) All income derived from wages whether the wages are earned
27 within the agreement area or outside of the agreement area.

1 (B) All interest and passive dividends.

2 (C) All rents and royalties derived from real property located
3 within the agreement area.

4 (D) All rents and royalties derived from tangible personal
5 property, to the extent the personal property is utilized within
6 the agreement area.

7 (E) Capital gains from the sale or exchange of real property
8 located within the agreement area.

9 (F) Capital gains from the sale or exchange of tangible
10 personal property located within the agreement area at the time of
11 sale.

12 (G) Capital gains from the sale or exchange of intangible
13 personal property.

14 (H) All pension income and benefits including, but not limited
15 to, distributions from a 401(k) plan, individual retirement
16 accounts under section 408 of the internal revenue code, or a
17 defined contribution plan, or payments from a defined benefit plan.

18 (I) All per capita payments by the tribe to resident tribal
19 members, without regard to the source of payment.

20 (J) All gaming winnings.

21 (iii) "Resident tribal member" means an individual who meets
22 all of the following criteria:

23 (A) Is an enrolled member of a federally recognized tribe.

24 (B) The individual's tribe has an agreement with this state
25 pursuant to section 30c of 1941 PA 122, MCL 205.30c, that is in
26 full force and effect.

27 (C) The individual's principal place of residence is located

1 within the agreement area as designated in the agreement under sub-
2 subparagraph (B).

3 (w) For tax years beginning after December 31, 2011, eliminate
4 all of the following:

5 (i) Income from producing oil and gas to the extent included
6 in adjusted gross income.

7 (ii) Expenses of producing oil and gas to the extent deducted
8 in arriving at adjusted gross income.

9 (2) Except as otherwise provided in subsection (7), a personal
10 exemption of \$3,700.00 multiplied by the number of personal or
11 dependency exemptions allowable on the taxpayer's federal income
12 tax return pursuant to the internal revenue code shall be
13 subtracted in the calculation that determines taxable income.

14 (3) Except as otherwise provided in subsection (7), a single
15 additional exemption determined as follows shall be subtracted in
16 the calculation that determines taxable income in each of the
17 following circumstances:

18 (a) \$1,800.00 for each taxpayer and every dependent of the
19 taxpayer who is a deaf person as defined in section 2 of the deaf
20 persons' interpreters act, 1982 PA 204, MCL 393.502; a paraplegic,
21 a quadriplegic, or a hemiplegic; a person who is blind as defined
22 in section 504; or a person who is totally and permanently disabled
23 as defined in section 522. When a dependent of a taxpayer files an
24 annual return under this part, the taxpayer or dependent of the
25 taxpayer, but not both, may claim the additional exemption allowed
26 under this subdivision. As used in this subdivision, "dependent"
27 means that term as defined in section 30e.

1 (b) For tax years beginning after 2007, \$250.00 for each
2 taxpayer and every dependent of the taxpayer who is a qualified
3 disabled veteran. When a dependent of a taxpayer files an annual
4 return under this part, the taxpayer or dependent of the taxpayer,
5 but not both, may claim the additional exemption allowed under this
6 subdivision. As used in this subdivision:

7 (i) "Qualified disabled veteran" means a veteran with a
8 service-connected disability.

9 (ii) "Service-connected disability" means a disability
10 incurred or aggravated in the line of duty in the active military,
11 naval, or air service as described in 38 USC 101(16).

12 (iii) "Veteran" means a person who served in the active
13 military, naval, marine, coast guard, or air service and who was
14 discharged or released from his or her service with an honorable or
15 general discharge.

16 (4) An individual with respect to whom a deduction under
17 section 151 of the internal revenue code is allowable to another
18 federal taxpayer during the tax year is not considered to have an
19 allowable federal exemption for purposes of subsection (2), but may
20 subtract \$1,500.00 in the calculation that determines taxable
21 income for a tax year.

22 (5) A nonresident or a part-year resident is allowed that
23 proportion of an exemption or deduction allowed under subsection
24 (2), (3), or (4) that the taxpayer's portion of adjusted gross
25 income from Michigan sources bears to the taxpayer's total adjusted
26 gross income.

27 (6) In calculating taxable income, a taxpayer shall not

1 subtract from adjusted gross income the amount of prizes won by the
2 taxpayer under the McCauley-Traxler-Law-Bowman-McNeely lottery act,
3 1972 PA 239, MCL 432.1 to 432.47.

4 (7) For each tax year beginning on and after January 1, 2013,
5 the personal exemption allowed under subsection (2) shall be
6 adjusted by multiplying the exemption for the tax year beginning in
7 2012 by a fraction, the numerator of which is the United States
8 consumer price index for the state fiscal year ending in the tax
9 year prior to the tax year for which the adjustment is being made
10 and the denominator of which is the United States consumer price
11 index for the 2010-2011 state fiscal year. The resultant product
12 shall be rounded to the nearest \$100.00 increment. As used in this
13 section, "United States consumer price index" means the United
14 States consumer price index for all urban consumers as defined and
15 reported by the United States ~~department of labor, bureau of labor~~
16 ~~statistics.~~ **DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.** For
17 each tax year, the exemptions allowed under subsection (3) shall be
18 adjusted by multiplying the exemption amount under subsection (3)
19 for the tax year by a fraction, the numerator of which is the
20 United States consumer price index for the state fiscal year ending
21 the tax year prior to the tax year for which the adjustment is
22 being made and the denominator of which is the United States
23 consumer price index for the 1998-1999 state fiscal year. The
24 resultant product shall be rounded to the nearest \$100.00
25 increment.

26 (8) As used in subsection (1)(f), "retirement or pension
27 benefits" means distributions from all of the following:

1 (a) Except as provided in subdivision (d), qualified pension
2 trusts and annuity plans that qualify under section 401(a) of the
3 internal revenue code, including all of the following:

4 (i) Plans for self-employed persons, commonly known as Keogh
5 or HR10 plans.

6 (ii) Individual retirement accounts that qualify under section
7 408 of the internal revenue code if the distributions are not made
8 until the participant has reached 59-1/2 years of age, except in
9 the case of death, disability, or distributions described by
10 section 72(t)(2)(A)(iv) of the internal revenue code.

11 (iii) Employee annuities or tax-sheltered annuities purchased
12 under section 403(b) of the internal revenue code by organizations
13 exempt under section 501(c)(3) of the internal revenue code, or by
14 public school systems.

15 (iv) Distributions from a 401(k) plan attributable to employee
16 contributions mandated by the plan or attributable to employer
17 contributions.

18 (b) The following retirement and pension plans not qualified
19 under the internal revenue code:

20 (i) Plans of the United States, state governments other than
21 this state, and political subdivisions, agencies, or
22 instrumentalities of this state.

23 (ii) Plans maintained by a church or a convention or
24 association of churches.

25 (iii) All other unqualified pension plans that prescribe
26 eligibility for retirement and predetermine contributions and
27 benefits if the distributions are made from a pension trust.

1 (c) Retirement or pension benefits received by a surviving
2 spouse if those benefits qualified for a deduction prior to the
3 decedent's death. Benefits received by a surviving child are not
4 deductible.

5 (d) Retirement and pension benefits do not include:

6 (i) Amounts received from a plan that allows the employee to
7 set the amount of compensation to be deferred and does not
8 prescribe retirement age or years of service. These plans include,
9 but are not limited to, all of the following:

10 (A) Deferred compensation plans under section 457 of the
11 internal revenue code.

12 (B) Distributions from plans under section 401(k) of the
13 internal revenue code other than plans described in subdivision
14 (a) (iv) .

15 (C) Distributions from plans under section 403(b) of the
16 internal revenue code other than plans described in subdivision
17 (a) (iii) .

18 (ii) Premature distributions paid on separation, withdrawal,
19 or discontinuance of a plan prior to the earliest date the
20 recipient could have retired under the provisions of the plan.

21 (iii) Payments received as an incentive to retire early unless
22 the distributions are from a pension trust.

23 (9) In determining taxable income under this section, the
24 following limitations and restrictions apply:

25 (a) For a person born before 1946, this subsection provides no
26 additional restrictions or limitations under subsection (1)(f).

27 (b) Except as otherwise provided in subdivision (c), for a

1 person born in 1946 through 1952, the sum of the deductions under
2 subsection (1)(f)(i), (ii), and (iv) is limited to \$20,000.00 for a
3 single return and \$40,000.00 for a joint return. After that person
4 reaches the age of 67, the deductions under subsection (1)(f)(i),
5 (ii), and (iv) do not apply and that person is eligible for a
6 deduction of \$20,000.00 for a single return and \$40,000.00 for a
7 joint return, which deduction is available against all types of
8 income and is not restricted to income from retirement or pension
9 benefits. A person ~~that~~ **WHO** takes the deduction under subsection
10 (1)(e) is not eligible for the unrestricted deduction of \$20,000.00
11 for a single return and \$40,000.00 for a joint return under this
12 subdivision.

13 (c) Beginning January 1, 2013, for a person born in 1946
14 through 1952 who receives retirement or pension benefits from
15 employment with a governmental agency that was not covered by the
16 federal social security act, chapter 531, 49 ~~Stat.~~ **STAT** 620, the
17 sum of the deductions under subsection (1)(f)(i), (ii), and (iv) is
18 limited to \$35,000.00 for a single return and, except as otherwise
19 provided under this subdivision, \$55,000.00 for a joint return. If
20 both the husband and wife filing a joint return receive retirement
21 or pension benefits from employment with a governmental agency that
22 was not covered by the federal social security act, chapter 531, 49
23 ~~Stat.~~ **STAT** 620, the sum of the deductions under subsection
24 (1)(f)(i), (ii), and (iv) is limited to \$70,000.00 for a joint
25 return. After that person reaches the age of 67, the deductions
26 under subsection (1)(f)(i), (ii), and (iv) do not apply and that
27 person is eligible for a deduction of \$35,000.00 for a single

1 return and \$55,000.00 for a joint return, or \$70,000.00 for a joint
2 return if applicable, which deduction is available against all
3 types of income and is not restricted to income from retirement or
4 pension benefits. A person who takes the deduction under subsection
5 (1)(e) is not eligible for the unrestricted deduction of \$35,000.00
6 for a single return and \$55,000.00 for a joint return, or
7 \$70,000.00 for a joint return if applicable, under this
8 subdivision.

9 (d) For a person born after 1952 who has reached the age of 62
10 through 66 years of age and who receives retirement or pension
11 benefits from employment with a governmental agency that was not
12 covered by the federal social security act, chapter 532, 49 ~~Stat.~~
13 **STAT** 620, the sum of the deductions under subsection (1)(f)(i),
14 (ii), and (iv) is limited to \$15,000.00 for a single return and,
15 except as otherwise provided under this subdivision, \$15,000.00 for
16 a joint return. If both the husband and ~~the~~ wife filing a joint
17 return receive retirement or pension benefits from employment with
18 a governmental agency that was not covered by the federal social
19 security act, chapter 532, 49 ~~Stat.~~ **STAT** 620, the sum of the
20 deductions under subsection (1)(f)(i), (ii), and (iv) is limited to
21 \$30,000.00 for a joint return.

22 (e) Except as otherwise provided under subdivision (d), for a
23 person born after 1952, the deduction under subsection (1)(f)(i),
24 (ii), or (iv) does not apply. When that person reaches the age of
25 67, that person is eligible for a deduction of \$20,000.00 for a
26 single return and \$40,000.00 for a joint return, which deduction is
27 available against all types of income and is not restricted to

1 income from retirement or pension benefits. If a person takes the
2 deduction of \$20,000.00 for a single return and \$40,000.00 for a
3 joint return, that person shall not take the deduction under
4 subsection (1)(f)(iii) and shall not take the personal exemption
5 under subsection (2). That person may elect not to take the
6 deduction of \$20,000.00 for a single return and \$40,000.00 for a
7 joint return and elect to take the deduction under subsection
8 (1)(f)(iii) and the personal exemption under subsection (2) if that
9 election would reduce that person's tax liability. A person ~~that~~
10 WHO takes the deduction under subsection (1)(e) is not eligible for
11 the unrestricted deduction of \$20,000.00 for a single return and
12 \$40,000.00 for a joint return under this subdivision.

13 (f) For a joint return, the limitations and restrictions in
14 this subsection shall be applied based on the ~~age~~ **DATE OF BIRTH** of
15 the older spouse filing the joint return. **FOR TAX YEARS BEGINNING**
16 **AFTER DECEMBER 31, 2015, IF A DEDUCTION UNDER SUBSECTION (1)(F) WAS**
17 **CLAIMED ON A JOINT RETURN FOR A TAX YEAR IN WHICH A SPOUSE DIED AND**
18 **THE SURVIVING SPOUSE HAS NOT REMARRIED SINCE THE DEATH OF THAT**
19 **SPOUSE, THE SURVIVING SPOUSE IS ENTITLED TO CLAIM THE DEDUCTION**
20 **UNDER SUBSECTION (1)(F) IN SUBSEQUENT TAX YEARS SUBJECT TO THE SAME**
21 **RESTRICTIONS AND LIMITATIONS, FOR A SINGLE RETURN, THAT WOULD HAVE**
22 **APPLIED BASED ON THE DATE OF BIRTH OF THE OLDER OF THE TWO SPOUSES.**
23 **HOWEVER, A SURVIVING SPOUSE BORN AFTER 1945 WHO HAS REACHED THE AGE**
24 **OF 67 AND HAS NOT REMARRIED SINCE THE DEATH OF THAT SPOUSE MAY**
25 **ELECT TO TAKE THE DEDUCTION WHICH IS AVAILABLE AGAINST ALL TYPES OF**
26 **INCOME SUBJECT TO THE SAME LIMITATIONS AND RESTRICTIONS AS PROVIDED**
27 **UNDER THIS SUBSECTION BASED ON THE SURVIVING SPOUSE'S DATE OF BIRTH**

1 INSTEAD OF TAKING THE DEDUCTION ALLOWED UNDER SUBSECTION (1)(F),
2 FOR A SINGLE RETURN, BASED ON THE DATE OF BIRTH OF THE OLDER
3 SPOUSE.

4 (10) As used in this section, "oil and gas" means oil and gas
5 that is subject to severance tax under 1929 PA 48, MCL 205.301 to
6 205.317.