

**SUBSTITUTE FOR
HOUSE BILL NO. 4387**

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.847) by adding section 282.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 282. (1) For the 2025 tax year only, a qualified taxpayer**
2 **may claim a credit against the tax imposed under this part in an**
3 **amount equal to all qualified expenses incurred during the tax year**
4 **to clean up, repair, restore, or rebuild the qualified taxpayer's**
5 **home, property, or business located within the emergency area of**
6 **the qualified declaration, or \$5,000.00, whichever is less. A**
7 **taxpayer shall not claim a credit for any expenses that were**
8 **reimbursed to the taxpayer or paid for on behalf of the taxpayer**
9 **from any source. To be eligible for the credit under this section,**



JHM

H02852'25 (H-1)



yxc5oh

1 the qualified taxpayer in a form as prescribed by the department
2 shall provide reasonable proof in support of qualified expenses for
3 which a credit is claimed under this section. The form must
4 include, at a minimum, all of the following:

5 (a) The taxpayer's federal employer identification number or
6 the Michigan treasury number assigned.

7 (b) The taxpayer's address within the emergency area affected
8 by the severe winter weather and ice storm.

9 (c) A description of how the taxpayer was affected by the
10 severe winter weather and ice storm.

11 (2) For a taxpayer who is a member of a flow-through entity
12 that qualifies for the credit under this section, that taxpayer may
13 claim a credit against the member's tax liability under this part
14 based on the member's distributive share of business income
15 reported from that flow-through entity or an alternative method
16 approved by the department.

17 (3) If the credit allowed by this section exceeds the tax
18 liability of the taxpayer for the tax year, that portion of the
19 credit that exceeds the tax liability must be refunded.

20 (4) As used in this section:

21 (a) "Qualified declaration" means the state of emergency
22 declared by the governor on March 31, 2025 and updated on April 2,
23 2025, under the emergency management act, 1976 PA 390, MCL 30.401
24 to 30.421, for the severe winter weather and ice storm that began
25 on March 28, 2025.

26 (b) "Qualified expenses" means those expenses directly
27 attributable to the widespread power outages, impassable roads,
28 loss of telephone and cellular services, and damages to homes,
29 property, and businesses as a result of the severe winter weather



1 and ice storm for which a qualified declaration was declared.
2 Qualified expenses include, but are not limited to, the purchase of
3 generators, chainsaws, and building materials needed to clean up,
4 repair, restore, or rebuild the qualified taxpayer's home,
5 property, or business. Qualified expenses do not include any
6 expenses that were paid for on behalf of the taxpayer from any
7 source other than the taxpayer or that were otherwise reimbursed to
8 the taxpayer from any source.

9 (c) "Qualified taxpayer" means a taxpayer who is a resident of
10 a county included within the emergency area of the qualified
11 declaration.