

Legislative Analysis



BLOOD DONATION TAX CREDIT

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<http://www.house.mi.gov/hfa>

House Bill 4068 (H-1) as reported from committee

Sponsor: Rep. Rachel Hood

Committee: Tax Policy

Complete to 6-11-23

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 up to six donations 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.

Proposed MCL 206.253

BRIEF DISCUSSION:

According to committee testimony, first-time blood donations, which are necessary to maintain an adequate supply, have significantly decreased since the COVID-19 pandemic. As a result, the supply of blood available in Michigan has reached a critical shortage. Shortages of blood donations can put patients' lives at risk, as well as necessitating the delay of medical procedures and creating other adverse effects.

Supporters of the bill argue that the tax credit would provide another way to incentivize blood donations and move Michigan toward a sufficient blood supply. They also argue that bill would have a positive economic effect by reducing the delay in medical procedures and stimulating the medical industry.

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.

POSITIONS:

Representatives of the following entities testified in support of the bill (4-12-23):

- America's Blood Centers
- Versiti Michigan
- Corewell Health West

The following entities indicated support for the bill (4-12-23):

- Michigan Association for Local Public Health
- Trinity Health
- Michigan Health and Hospital Association
- Henry Ford Health
- University of Michigan Health-West
- Ascension
- Holland Hospital
- Bronson Healthcare Group
- Hills and Dales Healthcare

The Department of Treasury indicated a neutral position on the bill. (5-17-23)

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