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### Michigan Enacts First-Time Home Buyer Income Tax Provisions

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On February 9, 2022, Michigan Governor Gretchen Whitmer signed a law amending the Michigan Income Tax Act to allow a new deduction for contributions to certain “first-time home buyer” savings accounts.

The law includes provisions that create a new first-time home buyer savings account structure and to allow annual income tax deductions for: 1) contributions to a first-time home buyer savings account up to \$5,000 for a single return/\$10,000 for a joint return; 2) interest earned on contributions to a first-time home buyer savings account (to the extent included in federal AGI) and 3) qualified withdrawals from the first-time home buyer savings account. An individual may open and contribute to a first-time home buyer savings account for the benefit of a first-time home buyer. The law took effect February 9, 2022 and applies to the tax years beginning January 1, 2022 through December 31, 2026. A link to the full text of H.B. 4290 (enacted 02/09/22) can be found [here](#). See MCL 206.30(1)(cc) [here](#).

If you would like assistance in this analysis or have questions, please don't hesitate to contact your Bodman Tax attorney or Wayne Roberts or Emily Kowlek of [Bodman's Tax Group](#). Bodman cannot respond to your questions or receive information from you without first clearing potential conflicts with other clients. Thank you for your patience and understanding.

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