

HOUSE BILL NO. 4813

July 18, 2019, Introduced by Rep. Bolden and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.713) by adding section 277.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 277. (1) Subject to the limitations under this section,
2 for tax years that begin on and after January 1, 2020 and before
3 January 1, 2025, a taxpayer that purchases a qualified principal
4 residence or retrofits or hires someone to retrofit the taxpayer's
5 principal residence, provided that the retrofitting of the
6 taxpayer's principal residence is designed to improve accessibility



1 or provide visitability, may claim a credit against the tax imposed
2 by this part in an amount equal to 4.0% of the total purchase price
3 paid for the qualified principal residence or 50% of the total
4 amount spent for the retrofitting of the taxpayer's principal
5 residence. The amount of the credit allowed under this section
6 shall not exceed \$5,000.00 for the purchase of a principal
7 residence or for the retrofitting of principal residence. A
8 taxpayer shall not claim more than 1 credit for the same principal
9 residence.

10 (2) To qualify for the credit under this section, a taxpayer
11 shall request certification from the Michigan state housing
12 development authority in a form and manner as prescribed by the
13 Michigan state housing development authority no later than January
14 10 of the tax year immediately succeeding the tax year for which
15 the credit is to be claimed. The Michigan state housing development
16 authority shall approve or deny all requests for certification and
17 issue the certificates no later than February 10 of the same tax
18 year. A taxpayer shall not claim a credit under this section unless
19 the Michigan state housing development authority has issued a
20 certificate to the taxpayer. The taxpayer shall attach the
21 certificate to the annual return filed under this part on which a
22 credit under this section is claimed. The certificate required
23 under this subsection shall specify all of the following:

24 (a) The purchase price of the qualified principal residence or
25 the total amount expended to retrofit the taxpayer's principal
26 residence into a qualified principal residence during the tax year
27 by the taxpayer.

28 (b) The total amount of the credit under this section that the
29 taxpayer is allowed to claim for the tax year.



1 (3) The total amount of credits that the Michigan state
2 housing development authority may certify under this section shall
3 not exceed \$1,000,000.00 in any 1 tax year. Each year the Michigan
4 state housing development authority shall allocate \$500,000.00 in
5 credits for the purchase of qualified principal residences and
6 \$500,000.00 in credits for the retrofitting of principal
7 residences. If the amount of tax credits approved in a single tax
8 year for the purchase of qualified principal residences is less
9 than \$500,000.00, the director of the Michigan state housing
10 development authority shall allocate the remaining balance of those
11 tax credits for the retrofitting of principal residences. If the
12 amount of tax credits approved in a single tax year for the
13 retrofitting of principal residences is less than \$500,000.00, the
14 director of the Michigan state housing development authority shall
15 allocate the remaining balance of those tax credits for the
16 purchase of qualified principal residences. In the event that the
17 requests for certification for the tax credit exceed the amount
18 allocated by the director for that tax year, the Michigan state
19 housing development authority shall issue the tax credits pro rata
20 based upon the amount of tax credits approved for each taxpayer and
21 the amount of tax credits allocated by the director.

22 (4) The taxpayer shall claim the credit under this section for
23 the same tax year in which the qualified principal residence was
24 purchased or that the retrofitting of the taxpayer's principal
25 residence was completed. If the amount of the credit allowed under
26 this section exceeds the tax liability of the taxpayer for the tax
27 year, that portion of the credit that exceeds the tax liability of
28 the taxpayer for the tax year shall not be refunded but may be
29 carried forward to offset tax liability under this part in



1 subsequent tax years for a period not to exceed 7 tax years or
2 until used up, whichever occurs first.

3 (5) As used in this section:

4 (a) "Accessibility" means that the principal residence is
5 designed to provide the taxpayer or an individual who is related to
6 the taxpayer or who resides with the taxpayer, who has 1 or more
7 physical limitations in daily life activities as verified by that
8 individual's physician, with the ability to enter, exit, and use
9 the property with and without assistance. For purposes of this
10 subdivision, an individual is related to the taxpayer if that
11 individual is a spouse, brother or sister, whether of the whole or
12 half blood or by adoption, ancestor, or lineal descendant of that
13 individual or related person.

14 (b) "Michigan state housing development authority" means the
15 authority created under the state housing development authority act
16 of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c.

17 (c) "Physician" means that term defined under section 17001 or
18 17501 of the public health code, 1978 PA 368, MCL 333.17001 and
19 333.17501.

20 (d) "Principal residence" means property exempt as a principal
21 residence under section 7cc of the general property tax act, 1893
22 PA 206, MCL 211.7cc.

23 (e) "Qualified principal residence" means a principal
24 residence that is designed to improve accessibility or provide
25 visitability.

26 (f) "Visitability" means a principal residence designed to
27 include all of the following:

28 (i) At least 1 zero-step entrance.

29 (ii) At least 1 full or half bathroom on the main floor.



1 (iii) All doorways on the main floor have a minimum of 32 inches
2 of clear passage space.

