

SENATE BILL No. 395

June 11, 2015, Introduced by Senators GREGORY, BIEDA, NOFS, JOHNSON, KNEZEK, ANANICH, HOPGOOD, HERTEL, HOOD, WARREN, YOUNG and SMITH and referred to the Committee on Finance.

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, 2016, A TAXPAYER
3 THAT PURCHASES A NEW RESIDENCE OR RETROFITS OR HIRES SOMEONE TO
4 RETROFIT AN EXISTING RESIDENCE, PROVIDED THAT SUCH NEW RESIDENCE OR
5 THE RETROFITTING OF THAT EXISTING RESIDENCE IS DESIGNED TO IMPROVE
6 ACCESSIBILITY, PROVIDE UNIVERSAL VISITABILITY, AND MEETS THE
7 ELIGIBILITY REQUIREMENTS ESTABLISHED BY GUIDELINES DEVELOPED BY THE
8 MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY, MAY CLAIM A CREDIT
9 AGAINST THE TAX IMPOSED BY THIS PART IN AN AMOUNT EQUAL TO 4.0% OF
10 THE TOTAL PURCHASE PRICE PAID FOR A NEW RESIDENCE OR 50% OF THE

1 TOTAL AMOUNT SPENT FOR THE RETROFITTING OF AN EXISTING RESIDENCE.
2 THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION SHALL NOT
3 EXCEED \$5,000.00 FOR THE PURCHASE OF EACH NEW RESIDENCE OR FOR THE
4 RETROFITTING OF AN EXISTING RESIDENCE. A CREDIT IS NOT ALLOWED
5 UNDER THIS SECTION FOR THE PURCHASE OR RETROFITTING OF RESIDENTIAL
6 RENTAL PROPERTY.

7 (2) TO QUALIFY FOR THE CREDIT UNDER THIS SECTION, A TAXPAYER
8 SHALL REQUEST CERTIFICATION FROM THE MICHIGAN STATE HOUSING
9 DEVELOPMENT AUTHORITY NO LATER THAN FEBRUARY 28 OF THE TAX YEAR
10 IMMEDIATELY SUCCEEDING THE TAX YEAR FOR WHICH THE CREDIT IS TO BE
11 CLAIMED. A TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION
12 UNLESS THE MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY HAS ISSUED
13 A CERTIFICATE TO THE TAXPAYER. THE TAXPAYER SHALL ATTACH THE
14 CERTIFICATE TO THE ANNUAL RETURN FILED UNDER THIS ACT ON WHICH A
15 CREDIT UNDER THIS SECTION IS CLAIMED. THE CERTIFICATE REQUIRED
16 UNDER THIS SUBSECTION SHALL SPECIFY ALL OF THE FOLLOWING:

17 (A) THE TOTAL AMOUNT OF THE PURCHASE PRICE OF THE NEW
18 RESIDENCE OR THE TOTAL AMOUNT EXPENDED TO RETROFIT THE EXISTING
19 RESIDENCE DURING THE TAX YEAR BY THE TAXPAYER.

20 (B) THE TOTAL AMOUNT EXPENDED FOR THE PURCHASE OF EACH NEW
21 RESIDENCE OR THE TOTAL AMOUNT EXPENDED TO RETROFIT EACH EXISTING
22 RESIDENCE IF DIFFERENT FROM THE PREVIOUS AMOUNT.

23 (C) THE TOTAL AMOUNT OF THE CREDIT UNDER THIS SECTION THAT THE
24 TAXPAYER IS ALLOWED TO CLAIM FOR THE DESIGNATED TAX YEAR.

25 (3) THE TOTAL AMOUNT OF CREDITS THAT THE MICHIGAN STATE
26 HOUSING DEVELOPMENT AUTHORITY MAY CERTIFY UNDER THIS SECTION SHALL
27 NOT EXCEED \$1,000,000.00 IN ANY 1 TAX YEAR. EACH YEAR THE MICHIGAN

1 STATE HOUSING DEVELOPMENT AUTHORITY SHALL ALLOCATE \$500,000.00 IN
2 CREDITS FOR THE PURCHASE OF NEW RESIDENCES AND \$500,000.00 IN
3 CREDITS FOR THE RETROFITTING OF EXISTING RESIDENCES. IF THE AMOUNT
4 OF TAX CREDITS APPROVED IN A SINGLE TAX YEAR FOR THE PURCHASE OF
5 NEW RESIDENCES IS LESS THAN \$500,000.00, THE DIRECTOR OF THE
6 MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY SHALL ALLOCATE THE
7 REMAINING BALANCE OF THOSE TAX CREDITS FOR THE RETROFITTING OF
8 EXISTING RESIDENCES. IF THE AMOUNT OF TAX CREDITS APPROVED IN A
9 SINGLE TAX YEAR FOR THE RETROFITTING OF EXISTING RESIDENCES IS LESS
10 THAN \$500,000.00, THE DIRECTOR OF THE MICHIGAN STATE HOUSING
11 DEVELOPMENT AUTHORITY SHALL ALLOCATE THE REMAINING BALANCE OF THOSE
12 TAX CREDITS FOR THE PURCHASE OF NEW RESIDENCES. IN THE EVENT THAT
13 THE REQUESTS FOR CERTIFICATION FOR THE TAX CREDIT EXCEED THE AMOUNT
14 ALLOCATED BY THE DIRECTOR FOR THAT TAX YEAR, THE MICHIGAN STATE
15 HOUSING DEVELOPMENT AUTHORITY SHALL ISSUE THE TAX CREDITS PRO RATA
16 BASED UPON THE AMOUNT OF TAX CREDITS APPROVED FOR EACH TAXPAYER AND
17 THE AMOUNT OF TAX CREDITS ALLOCATED BY THE DIRECTOR.

18 (4) THE TAXPAYER SHALL CLAIM THE CREDIT UNDER THIS SECTION FOR
19 THE SAME TAX YEAR IN WHICH THE RESIDENCE WAS PURCHASED OR THAT THE
20 RETROFITTING OF THE RESIDENCE WAS COMPLETED. IF THE AMOUNT OF THE
21 CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX LIABILITY OF THE
22 TAXPAYER FOR THE TAX YEAR, THAT PORTION OF THE CREDIT THAT EXCEEDS
23 THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR SHALL NOT BE
24 REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY UNDER
25 THIS ACT IN SUBSEQUENT TAX YEARS FOR A PERIOD NOT TO EXCEED 7 TAX
26 YEARS OR UNTIL USED UP, WHICHEVER OCCURS FIRST.

27 (5) AS USED IN THIS SECTION:

1 (A) "ACCESSIBILITY" MEANS THAT THE RESIDENCE IS DESIGNED TO
2 PROVIDE THE TAXPAYER OR AN INDIVIDUAL WHO IS RELATED TO THE
3 TAXPAYER OR WHO RESIDES WITH THE TAXPAYER, WHO HAS 1 OR MORE
4 PHYSICAL LIMITATIONS IN DAILY LIFE ACTIVITIES AS VERIFIED BY THAT
5 INDIVIDUAL'S PHYSICIAN, WITH THE ABILITY TO ENTER, EXIT, AND USE
6 THE PROPERTY WITH AND WITHOUT ASSISTANCE. FOR PURPOSES OF THIS
7 SUBDIVISION, AN INDIVIDUAL IS RELATED TO THE TAXPAYER IF THAT
8 INDIVIDUAL IS A SPOUSE, BROTHER OR SISTER, WHETHER OF THE WHOLE OR
9 HALF BLOOD OR BY ADOPTION, ANCESTOR, OR LINEAL DESCENDANT OF THAT
10 INDIVIDUAL OR RELATED PERSON.

11 (B) "MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY" MEANS THE
12 AUTHORITY CREATED UNDER THE STATE HOUSING DEVELOPMENT AUTHORITY ACT
13 OF 1966, 1966 PA 346, MCL 125.1401 TO 125.1499C.

14 (C) "PHYSICIAN" MEANS THAT TERM DEFINED UNDER SECTION 17001 OR
15 17501 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.17001 AND
16 333.17501.

17 (D) "VISITABILITY" MEANS A RESIDENCE DESIGNED TO INCLUDE ALL
18 OF THE FOLLOWING:

19 (i) AT LEAST 1 ZERO-STEP ENTRANCE.

20 (ii) AT LEAST 1 FULL OR HALF BATHROOM ON THE MAIN FLOOR.

21 (iii) ALL DOORWAYS ON THE MAIN FLOOR HAVE A MINIMUM OF 32
22 INCHES OF CLEAR PASSAGE SPACE.