

HOUSE BILL No. 4556

March 24, 2005, Introduced by Rep. Palsrok and referred to the Committee on Commerce.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
(MCL 208.1 to 208.145) by adding section 35c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 35C. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2005, A QUALIFIED TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX
3 IMPOSED BY THIS ACT EQUAL TO NOT MORE THAN 50% OF THE TOTAL COST TO
4 RENOVATE A HISTORIC RESOURCE.

5 (2) THE DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES SHALL
6 DEVELOP AN APPLICATION FORM AND PROCESS FOR THE CREDIT ALLOWED
7 UNDER THIS SECTION. THE APPLICATION SHALL REQUIRE, BUT IS NOT
8 LIMITED TO, ALL OF THE FOLLOWING:

9 (A) A COPY OF THE CERTIFICATION AS DESCRIBED IN SUBSECTION

1 (6).

2 (B) DOCUMENTATION THAT THE RENOVATION WILL BE COMPLETE ON A
3 HISTORIC RESOURCE THAT MEETS 1 OF THE CRITERIA LISTED IN SUBSECTION
4 (7).

5 (C) WRITTEN COMMITMENTS OR AGREEMENTS THAT EVIDENCE THAT THE
6 QUALIFIED TAXPAYER HAS ACQUIRED, AND DESIGNATED TO THE RENOVATION
7 OF THE HISTORIC RESOURCE, AN AMOUNT EQUAL TO AT LEAST 50% OF THE
8 TOTAL COSTS OF THE RENOVATION OF THE HISTORIC RESOURCE FROM SOURCES
9 SEPARATE FROM THE FUNDS AVAILABLE TO THE TAXPAYER BASED ON AN
10 ANTICIPATED CREDIT ALLOWED UNDER THIS SECTION.

11 (3) A QUALIFIED TAXPAYER SHALL APPLY TO THE DEPARTMENT OF
12 HISTORY, ARTS, AND LIBRARIES FOR APPROVAL OF A TAX CREDIT FOR THE
13 RENOVATION OF A HISTORIC RESOURCE. THE DEPARTMENT OF HISTORY, ARTS,
14 AND LIBRARIES SHALL APPROVE OR DENY THE APPLICATION NOT MORE THAN
15 65 DAYS AFTER RECEIPT OF THE APPLICATION. IF THE DEPARTMENT OF
16 HISTORY, ARTS, AND LIBRARIES DOES NOT APPROVE OR DENY THE
17 APPLICATION WITHIN 65 DAYS AFTER IT RECEIVES THE APPLICATION, THE
18 APPLICATION IS CONSIDERED APPROVED. THE DEPARTMENT OF HISTORY,
19 ARTS, AND LIBRARIES SHALL APPROVE A MAXIMUM OF 10 CREDITS UNDER
20 THIS SECTION DURING EACH CALENDAR YEAR. THE DEPARTMENT OF HISTORY,
21 ARTS, AND LIBRARIES SHALL ASSURE COMPLIANCE WITH SUBSECTION (6) AND
22 USE THE CRITERIA IN SUBSECTION (7) WHEN APPROVING APPLICATIONS
23 UNDER THIS SECTION AND TO DETERMINE THE PERCENTAGE OF TOTAL COST
24 FOR THE RENOVATION OF THE HISTORIC RESOURCE TO BE USED TO CALCULATE
25 A CREDIT.

26 (4) THE DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES SHALL NOT
27 APPROVE MORE THAN 10 CREDITS FOR EACH CALENDAR YEAR. OF THOSE 10

1 CREDITS, 9 SHALL BE FOR \$1,000,000.00 OR LESS AND 1 MAY BE FOR MORE
2 THAN \$1,000,000.00 BUT LESS THAN \$3,000,000.00.

3 (5) NOT MORE THAN 3 CREDITS SHALL BE ISSUED TO QUALIFIED
4 TAXPAYERS FOR RENOVATION OF HISTORIC RESOURCES WITHIN ANY 1
5 MUNICIPALITY.

6 (6) TO BE ELIGIBLE FOR THE CREDIT UNDER THIS SECTION, THE
7 TAXPAYER SHALL APPLY TO AND RECEIVE FROM THE MICHIGAN HISTORICAL
8 CENTER CERTIFICATION THAT THE HISTORIC SIGNIFICANCE, THE RENOVATION
9 PLAN, AND THE COMPLETED RENOVATION OF THE HISTORIC RESOURCE MEET
10 THE CRITERIA UNDER SUBSECTION (7) AND EITHER OF THE FOLLOWING:

11 (A) ALL OF THE FOLLOWING CRITERIA:

12 (i) THE HISTORIC RESOURCE CONTRIBUTES TO THE SIGNIFICANCE OF
13 THE HISTORIC DISTRICT IN WHICH IT IS LOCATED.

14 (ii) BOTH THE RENOVATION PLAN AND COMPLETED RENOVATION OF THE
15 HISTORIC RESOURCE MEET THE FEDERAL SECRETARY OF THE INTERIOR'S
16 STANDARDS FOR REHABILITATION AND GUIDELINES FOR REHABILITATING
17 HISTORIC BUILDINGS, 36 CFR PART 67.

18 (iii) ALL RENOVATION WORK HAS BEEN DONE TO OR WITHIN THE WALLS,
19 BOUNDARIES, OR STRUCTURES OF THE HISTORIC RESOURCE OR TO HISTORIC
20 RESOURCES LOCATED WITHIN THE PROPERTY BOUNDARIES OF THE PROPERTY.

21 (B) THE TAXPAYER HAS RECEIVED CERTIFICATION FROM THE NATIONAL
22 PARK SERVICE THAT THE HISTORIC RESOURCE'S SIGNIFICANCE, THE
23 RENOVATION PLAN, AND THE COMPLETED RENOVATION QUALIFY FOR THE
24 CREDIT ALLOWED UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE.

25 (7) COSTS FOR THE RENOVATION OF A HISTORIC RESOURCE MAY BE
26 USED TO CALCULATE THE CREDIT UNDER THIS SECTION IF THE HISTORIC
27 RESOURCE MEETS 1 OF THE CRITERIA LISTED IN SUBDIVISION (A) AND 1 OF

1 THE CRITERIA LISTED IN SUBDIVISION (B):

2 (A) THE RESOURCE IS 1 OF THE FOLLOWING DURING THE TAX YEAR IN
3 WHICH A CREDIT UNDER THIS SECTION IS CLAIMED FOR THOSE QUALIFIED
4 EXPENDITURES:

5 (i) INDIVIDUALLY LISTED ON THE NATIONAL REGISTER OF HISTORIC
6 PLACES OR STATE REGISTER OF HISTORIC SITES.

7 (ii) A CONTRIBUTING RESOURCE LOCATED WITHIN A HISTORIC DISTRICT
8 LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES OR THE STATE
9 REGISTER OF HISTORIC SITES.

10 (iii) A CONTRIBUTING RESOURCE LOCATED WITHIN A HISTORIC DISTRICT
11 DESIGNATED BY A LOCAL UNIT OF GOVERNMENT PURSUANT TO AN ORDINANCE
12 ADOPTED UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL
13 399.201 TO 399.215.

14 (B) THE RESOURCE MEETS 1 OF THE FOLLOWING CRITERIA DURING THE
15 TAX YEAR IN WHICH A CREDIT UNDER THIS SECTION IS CLAIMED FOR THOSE
16 QUALIFIED EXPENDITURES:

17 (i) THE HISTORIC RESOURCE IS LOCATED IN A DESIGNATED HISTORIC
18 DISTRICT IN A LOCAL UNIT OF GOVERNMENT WITH AN EXISTING ORDINANCE
19 UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO
20 399.215.

21 (ii) THE HISTORIC RESOURCE IS LOCATED IN AN INCORPORATED LOCAL
22 UNIT OF GOVERNMENT THAT DOES NOT HAVE AN ORDINANCE UNDER THE LOCAL
23 HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO 399.215, AND
24 HAS A POPULATION OF LESS THAN 5,000.

25 (iii) THE HISTORIC RESOURCE IS LOCATED IN AN UNINCORPORATED
26 LOCAL UNIT OF GOVERNMENT.

27 (8) IF THE DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES APPROVES

1 THE RENOVATION OF THE HISTORIC RESOURCE, THE DEPARTMENT OF HISTORY,
2 ARTS, AND LIBRARIES SHALL ISSUE AN APPROVAL LETTER TO THE QUALIFIED
3 TAXPAYER THAT STATES ALL OF THE FOLLOWING:

4 (A) THE TAXPAYER IS A QUALIFIED TAXPAYER.

5 (B) THE MAXIMUM CREDIT ALLOWED FOR THE RENOVATION OF THIS
6 HISTORIC RESOURCE.

7 (C) THE MAXIMUM PERCENTAGE OF THE TOTAL COST OF THE RENOVATION
8 OF THE HISTORIC RESOURCE DETERMINED BY THE MICHIGAN ECONOMIC
9 DEVELOPMENT CORPORATION THAT THE QUALIFIED TAXPAYER IS ALLOWED TO
10 USE TO CALCULATE A CREDIT UNDER THIS SECTION.

11 (D) AN IDENTIFICATION NUMBER ASSIGNED BY THE MICHIGAN ECONOMIC
12 DEVELOPMENT CORPORATION FOR THE RENOVATION OF THE HISTORIC
13 RESOURCE.

14 (9) IF A RENOVATION OF A HISTORIC RESOURCE IS DENIED, A
15 TAXPAYER IS NOT PROHIBITED FROM SUBSEQUENTLY APPLYING UNDER THIS
16 SECTION FOR THE SAME RENOVATION OR FOR ANOTHER RENOVATION.

17 (10) IF THE TAXPAYER'S CREDIT ALLOWED UNDER THIS SECTION FOR A
18 TAX YEAR EXCEEDS THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR,
19 THAT PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY FOR THE
20 TAX YEAR SHALL BE REFUNDED. IF THE QUALIFIED TAXPAYER HAS NO TAX
21 LIABILITY FOR THE TAX YEAR, THE AMOUNT OF THE CLAIM SHALL, AFTER
22 EXAMINATION AND REVIEW BY THE DEPARTMENT, BE APPROVED FOR PAYMENT,
23 WITHOUT INTEREST, TO THE QUALIFIED TAXPAYER.

24 (11) THE QUALIFIED TAXPAYER SHALL ATTACH ALL OF THE FOLLOWING
25 TO THE QUALIFIED TAXPAYER'S ANNUAL RETURN REQUIRED UNDER THIS ACT
26 ON WHICH THE CREDIT IS CLAIMED:

27 (A) CERTIFICATION OF COMPLETED RENOVATION.

1 (B) CERTIFICATION OF HISTORIC SIGNIFICANCE RELATED TO THE
2 HISTORIC RESOURCE AND THE COSTS USED TO CALCULATE A CREDIT UNDER
3 THIS SECTION.

4 (C) A FINANCIAL STATEMENT INDICATING THE TOTAL COSTS OF THE
5 RENOVATION OF THE HISTORIC RESOURCE AND THE SOURCE OF ALL FUNDS
6 USED TO COMPLETE THE RENOVATION OF THE HISTORIC RESOURCE.

7 (12) AS USED IN THIS SECTION:

8 (A) "HISTORIC RESOURCE" MEANS A PUBLICLY OR PRIVATELY OWNED
9 HISTORIC BUILDING, STRUCTURE, SITE, OBJECT, FEATURE, OR OPEN SPACE
10 LOCATED WITHIN A HISTORIC DISTRICT DESIGNATED BY THE NATIONAL
11 REGISTER OF HISTORIC PLACES, THE STATE REGISTER OF HISTORIC SITES,
12 OR A LOCAL UNIT OF GOVERNMENT ACTING UNDER THE LOCAL HISTORIC
13 DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO 399.215; OR THAT IS
14 INDIVIDUALLY LISTED ON THE STATE REGISTER OF HISTORIC SITES OR
15 NATIONAL REGISTER OF HISTORIC PLACES AND INCLUDES ALL OF THE
16 FOLLOWING:

17 (i) AN OWNER-OCCUPIED PERSONAL RESIDENCE OR A HISTORIC RESOURCE
18 LOCATED WITHIN THE PROPERTY BOUNDARIES OF THAT PERSONAL RESIDENCE.

19 (ii) AN INCOME-PRODUCING COMMERCIAL, INDUSTRIAL, OR RESIDENTIAL
20 RESOURCE OR A HISTORIC RESOURCE LOCATED WITHIN THE PROPERTY
21 BOUNDARIES OF THAT RESOURCE.

22 (iii) A RESOURCE OWNED BY A GOVERNMENTAL BODY, NONPROFIT
23 ORGANIZATION, OR TAX-EXEMPT ENTITY THAT IS USED PRIMARILY BY A
24 TAXPAYER LESSEE IN A TRADE OR BUSINESS UNRELATED TO THE
25 GOVERNMENTAL BODY, NONPROFIT ORGANIZATION, OR TAX-EXEMPT ENTITY AND
26 THAT IS SUBJECT TO TAX UNDER THIS ACT.

27 (iv) A RESOURCE THAT IS OCCUPIED OR UTILIZED BY A GOVERNMENTAL

1 BODY, NONPROFIT ORGANIZATION, OR TAX-EXEMPT ENTITY PURSUANT TO A
2 LONG-TERM LEASE OR LEASE WITH OPTION TO BUY AGREEMENT.

3 (v) ANY OTHER RESOURCE THAT COULD BENEFIT FROM RENOVATION.

4 (B) "MUNICIPALITY" MEANS A TOWNSHIP, CITY, VILLAGE, OR COUNTY.

5 (C) "QUALIFIED TAXPAYER" MEANS A TAXPAYER THAT IS EXEMPT FROM
6 TAXATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE.