

HOUSE BILL No. 5610

January 24, 2006, Introduced by Reps. Kolb, Gleason, Tobocman, Lipsey, Alma Smith, Anderson and Kahn 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 206.532) by adding section 259.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 259. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2005, A TAXPAYER, OTHER THAN A RESIDENT ESTATE OR TRUST, MAY CLAIM
3 A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT FOR A CONTRIBUTION TO
4 A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION.

5 (2) THE CREDIT ALLOWED BY THIS SECTION SHALL NOT EXCEED
6 \$100.00, OR \$200.00 FOR A HUSBAND AND WIFE FILING A JOINT RETURN.

7 (3) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
8 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT
9 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL NOT BE

1 REFUNDED.

2 (4) AS USED IN THIS SECTION, "COMMUNITY HOUSING DEVELOPMENT
3 ORGANIZATION" MEANS A PRIVATE NONPROFIT ORGANIZATION THAT MEETS ALL
4 OF THE FOLLOWING CRITERIA:

5 (A) HAS AMONG ITS PURPOSES TO PROVIDE DECENT HOUSING THAT IS
6 AFFORDABLE TO LOW-INCOME AND MODERATE-INCOME PERSONS.

7 (B) MAINTAINS ACCOUNTABILITY TO LOW-INCOME AND MODERATE-INCOME
8 COMMUNITY RESIDENTS BY DOING ALL OF THE FOLLOWING:

9 (i) ASSURING THAT AT LEAST 1/3 OF ITS GOVERNING BOARD MEMBERS
10 ARE RESIDENTS OF LOW-INCOME NEIGHBORHOODS OR ELECTIVE
11 REPRESENTATIVES OF A GROUP THAT REPRESENTS OR ADVOCATES FOR
12 RESIDENTS OF LOW-INCOME NEIGHBORHOODS.

13 (ii) PROVIDING A FORMAL PROCESS FOR LOW-INCOME PROGRAM
14 BENEFICIARIES TO ADVISE THE ORGANIZATION REGARDING DESIGN, SITING,
15 DEVELOPMENT, AND MANAGEMENT OF AFFORDABLE HOUSING.

16 (C) IS ORGANIZED UNDER STATE LAW.

17 (D) IS TAX EXEMPT UNDER SECTION 501(C)(3) OR (4) OF THE
18 INTERNAL REVENUE CODE.

19 (E) NO PART OF ITS NET EARNINGS INURE TO THE BENEFIT OF ANY
20 MEMBER, FOUNDER, CONTRIBUTOR, OR INDIVIDUAL.

21 (F) IS NOT CONTROLLED BY OR UNDER THE DIRECTION OF INDIVIDUALS
22 OR ENTITIES THAT SEEK TO DERIVE PROFIT OR GAIN FROM THE
23 ORGANIZATION.

24 (G) IF THE COMMUNITY HOUSING DEVELOPMENT ORGANIZATION INCLUDES
25 A PUBLIC BODY OR IS STATE OR LOCALLY CHARTERED, THE PUBLIC BODY OR
26 STATE OR LOCAL GOVERNMENT DOES NOT HAVE THE RIGHT TO APPOINT MORE
27 THAN 1/3 OF THE MEMBERSHIP OF THE GOVERNING BOARD OF THE

1 ORGANIZATION AND NOT MORE THAN 1/3 OF THE BOARD MEMBERS OF THE
2 ORGANIZATION SHALL BE PUBLIC OFFICIALS.

3 (H) USES GENERALLY ACCEPTED ACCOUNTING METHODS AS THE STANDARD
4 FOR FINANCIAL ACCOUNTABILITY.