

# HOUSE BILL No. 5311

October 16, 2007, Introduced by Reps. Proos, Johnson, Virgil Smith, Ball, Angerer, Acciavatti, Pavlov, Moss, Marleau, Palsrok and Huizenga 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 253.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 253. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,  
2        2007, SUBJECT TO THE APPLICABLE LIMITATIONS PROVIDED BY THIS  
3        SECTION, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY  
4        THIS ACT EQUAL TO 50% OF THE TOTAL AMOUNT INVESTED IN A PROGRAM  
5        APPROVED BY THE MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY THAT  
6        PROVIDES NEIGHBORHOOD ASSISTANCE, JOB TRAINING OR EDUCATION FOR  
7        INDIVIDUALS WHO ARE NOT EMPLOYED BY THE TAXPAYER, OR COMMUNITY  
8        SERVICES OR CRIME PREVENTION IN AN ELIGIBLE DISTRESSED AREA OR  
9        CONTRIBUTED BY THE TAXPAYER TO A NEIGHBORHOOD ORGANIZATION THAT

1 ENGAGES IN THE ACTIVITIES OF PROVIDING NEIGHBORHOOD ASSISTANCE, JOB  
2 TRAINING OR EDUCATION FOR INDIVIDUALS WHO ARE NOT EMPLOYED BY THE  
3 TAXPAYER, OR COMMUNITY SERVICES OR CRIME PREVENTION IN AN ELIGIBLE  
4 DISTRESSED AREA, OR BOTH.

5 (2) FOR A TAXPAYER OTHER THAN A RESIDENT ESTATE OR TRUST, THE  
6 AMOUNT ALLOWABLE AS A CREDIT UNDER THIS SECTION FOR A TAX YEAR  
7 SHALL NOT EXCEED \$100.00 OR, FOR A HUSBAND AND WIFE FILING A JOINT  
8 RETURN AS PROVIDED IN SECTION 311, \$200.00. FOR A RESIDENT ESTATE  
9 OR TRUST, THE AMOUNT ALLOWABLE AS A CREDIT UNDER THIS SECTION FOR A  
10 TAX YEAR SHALL NOT EXCEED 10% OF THE TAX LIABILITY FOR THE YEAR AS  
11 DETERMINED WITHOUT REGARD TO THIS SECTION OR \$5,000.00, WHICHEVER  
12 IS LESS, AND SHALL NOT HAVE BEEN DEDUCTED IN ARRIVING AT FEDERAL  
13 TAXABLE INCOME. THE CREDIT ALLOWED UNDER THIS SECTION SHALL NOT  
14 EXCEED THE TAX LIABILITY OF THE TAXPAYER.

15 (3) A TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION  
16 UNLESS THE MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY HAS ISSUED  
17 A CERTIFICATE TO THE TAXPAYER. THE TAXPAYER SHALL ATTACH THE  
18 CERTIFICATE TO THE RETURN FILED UNDER THIS ACT ON WHICH A CREDIT  
19 UNDER THIS SECTION IS CLAIMED. THE CERTIFICATE REQUIRED BY THIS  
20 SUBSECTION SHALL STATE ALL OF THE FOLLOWING:

21 (A) THE TAXPAYER INVESTED IN AN APPROVED PROGRAM OR  
22 CONTRIBUTED TO A NEIGHBORHOOD ORGANIZATION THAT PROVIDES  
23 NEIGHBORHOOD ASSISTANCE OR PARTICIPATES IN AN APPROVED PROGRAM.

24 (B) THE AMOUNT OF THE INVESTMENT OR CONTRIBUTION MADE FOR THE  
25 DESIGNATED TAX YEAR.

26 (C) THE TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER OR  
27 THE MICHIGAN TREASURY NUMBER ASSIGNED.

(4) AS USED IN THIS SECTION:

(A) "COMMUNITY SERVICES" MEANS ANY TYPE OF COUNSELING AND  
ADVICE, EMERGENCY ASSISTANCE, MEDICAL CARE, RECREATIONAL  
FACILITIES, HOUSING FACILITIES, OR ECONOMIC DEVELOPMENT ASSISTANCE  
TO INDIVIDUALS, GROUPS, OR NEIGHBORHOOD ORGANIZATIONS IN AN  
ELIGIBLE DISTRESSED AREA.

(B) "CRIME PREVENTION" MEANS ANY ACTIVITY WHICH AIDS IN THE  
REDUCTION OF CRIME IN AN ELIGIBLE DISTRESSED AREA.

(C) "EDUCATION" MEANS ANY TYPE OF SCHOLASTIC INSTRUCTION OR  
SCHOLARSHIP ASSISTANCE TO AN INDIVIDUAL WHO RESIDES IN AN ELIGIBLE  
DISTRESSED AREA THAT ENABLES THE INDIVIDUAL TO PREPARE FOR BETTER  
LIFE OPPORTUNITIES.

(D) "ELIGIBLE DISTRESSED AREA" MEANS THAT TERM AS DEFINED IN  
SECTION 11 OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966,  
1966 PA 346, MCL 125.1411.

(E) "JOB TRAINING" MEANS ANY TYPE OF INSTRUCTION PROVIDED TO  
AN INDIVIDUAL WHO RESIDES IN AN ELIGIBLE DISTRESSED AREA THAT  
ENABLES THE INDIVIDUAL TO ACQUIRE VOCATIONAL SKILLS SO THAT THE  
INDIVIDUAL CAN BECOME EMPLOYABLE OR BE ABLE TO SEEK A HIGHER GRADE  
OF EMPLOYMENT.

(F) "MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY" MEANS THE  
AUTHORITY CREATED IN SECTION 21 OF THE STATE HOUSING DEVELOPMENT  
AUTHORITY ACT OF 1966, 1966 PA 346, MCL 125.1421.

(G) "NEIGHBORHOOD ASSISTANCE" MEANS EITHER OF THE FOLLOWING:

(i) FURNISHING FINANCIAL ASSISTANCE, LABOR, MATERIAL, AND  
TECHNICAL ADVICE TO AID IN THE PHYSICAL OR ECONOMIC IMPROVEMENT OF  
ANY PART OR ALL OF AN ELIGIBLE DISTRESSED AREA.

1           (ii) FURNISHING TECHNICAL ADVICE TO PROMOTE HIGHER EMPLOYMENT  
2 IN ANY NEIGHBORHOOD IN THIS STATE.

3           (H) "NEIGHBORHOOD ORGANIZATION" MEANS ANY ORGANIZATION THAT IS  
4 EXEMPT UNDER SECTION 501 OF THE INTERNAL REVENUE CODE AND THAT  
5 PERFORMS COMMUNITY SERVICES IN AN ELIGIBLE DISTRESSED AREA.

6           Enacting section 1. This amendatory act does not take effect  
7 unless all of the following bills of the 94th Legislature are  
8 enacted into law:

9           (a) Senate Bill No.\_\_\_\_ or House Bill No. 5312(request no.  
10 01411'07 \*\*).

11           (b) Senate Bill No.\_\_\_\_ or House Bill No. 5313(request no.  
12 03642'07).