

# HOUSE BILL No. 6589

October 29, 2008, Introduced by Rep. LeBlanc 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 519.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 519. (1) FOR THE 2008 TAX YEAR AND EACH TAX YEAR AFTER  
2        2008, A TAXPAYER THAT IS A RESIDENT INDIVIDUAL WHO PURCHASES A  
3        QUALIFIED PRINCIPAL RESIDENCE AFTER MAY 1 OF THE TAX YEAR MAY CLAIM  
4        A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO THE  
5        DIFFERENCE BETWEEN THE AMOUNT PAID FOR PROPERTY TAXES COLLECTED  
6        UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO  
7        211.155, ON THAT QUALIFIED PRINCIPLE RESIDENCE DURING THE TAX YEAR  
8        AND THE AMOUNT THAT WOULD HAVE BEEN PAID FOR PROPERTY TAXES  
9        COLLECTED UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL  
10       211.1 TO 211.155, IF AN EXEMPTION HAD BEEN CLAIMED UNDER SECTION

1 7CC OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7CC.

2 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR  
3 EXCEEDS THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION  
4 THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT BE  
5 REFUNDED.

6 (3) IF THE TAXPAYER DISPOSES OF THE QUALIFIED PRINCIPAL  
7 RESIDENCE FOR WHICH A CREDIT UNDER THIS SECTION WAS CLAIMED WITHIN  
8 2 YEARS AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED OR FAILS TO  
9 OCCUPY THE QUALIFIED PRINCIPAL RESIDENCE AS THE TAXPAYER'S  
10 PRINCIPAL RESIDENCE FOR WHICH A CREDIT UNDER THIS SECTION WAS  
11 CLAIMED WITHIN 2 YEARS AFTER THE YEAR IN WHICH THE CREDIT WAS  
12 CLAIMED THE AMOUNT OF THE CREDIT CLAIMED SHALL BE ADDED BACK TO THE  
13 TAX LIABILITY OF THE TAXPAYER IN THE TAX YEAR THAT THE TAXPAYER  
14 DISPOSES OF THE PROPERTY OR FAILS TO OCCUPY THE RESIDENCE AS HIS OR  
15 HER PRINCIPAL RESIDENCE.

16 (4) AS USED IN THIS SECTION:

17 (A) "ELIGIBLE SINGLE-FAMILY RESIDENCE" MEANS A SINGLE-FAMILY  
18 STRUCTURE THAT IS A RESIDENCE UPON WHICH FORECLOSURE HAS BEEN FILED  
19 PURSUANT TO THE LAWS OF THIS STATE AND THAT SATISFIES EITHER OF THE  
20 FOLLOWING:

21 (i) IS A NEW PREVIOUSLY UNOCCUPIED RESIDENCE FOR WHICH A  
22 BUILDING PERMIT WAS ISSUED AND CONSTRUCTION BEGAN ON OR BEFORE  
23 SEPTEMBER 1, 2007.

24 (ii) WAS OCCUPIED AS A PRINCIPAL RESIDENCE BY THE MORTGAGOR FOR  
25 AT LEAST 1 YEAR PRIOR TO THE FORECLOSURE FILING.

26 (B) "PRINCIPAL RESIDENCE" MEANS THAT TERM AS DEFINED UNDER  
27 SECTION 7DD OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL

1 211.7DD.

2 (C) "QUALIFIED PRINCIPAL RESIDENCE" MEANS AN ELIGIBLE SINGLE-  
3 FAMILY RESIDENCE THAT IS PURCHASED TO BE THE PRINCIPAL RESIDENCE OF  
4 THE PURCHASER.