

SUBSTITUTE FOR
SENATE BILL NO. 360

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.713) by adding sections 279 and 678.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 279. (1) For tax years that begin on and after January 1,
2 2021, a taxpayer that makes an eligible contribution to a certified
3 housing impact fund or a taxpayer who is an employer that offers
4 its employees the option to participate in a qualified employer-
5 assisted housing project located in this state that assists its
6 employees in securing affordable housing near the workplace may
7 claim a credit against the tax imposed by this part in an amount
8 equal to 50% of the total eligible contributions made during the
9 tax year to a certified housing impact fund and 50% of the total

1 costs incurred to implement and maintain a qualified employer-
2 assisted housing project for its employees. However, if the
3 taxpayer is a member of the flow-through entity that made the
4 eligible contribution or that implemented the qualified employer-
5 assisted housing project, then the taxpayer may claim credit
6 against the member's tax liability under this part based on the
7 member's proportionate share of ownership or an alternative method
8 approved by the department.

9 (2) To claim the credit under this section for an employer-
10 assisted housing project, the employer, in a form and manner as
11 prescribed by the Michigan state housing development authority
12 pursuant to section 22e of the state housing development authority
13 act of 1966, 1966 PA 346, MCL 125.1422e, shall submit an
14 application and an outline of its employer-assisted housing project
15 to the authority for approval. If the authority approves the
16 employer-assisted housing project, the authority shall notify the
17 employer that the project qualifies for the credit under this
18 section. If an application is denied under this subsection, the
19 applicant may file an appeal in a form and manner as prescribed by
20 the authority or subsequently reapply for the same employer-
21 assisted housing project or for another employer-assisted housing
22 project, or both. After the qualified employer-assisted housing
23 project is complete and has been implemented, the employer shall
24 provide the authority with the costs incurred to implement and
25 maintain that qualified employer-assisted housing project during
26 the tax year and the number of qualified employees who have
27 participated in the qualified employer-assisted housing project
28 during the tax year and request certification of its expenditures
29 and the amount of the credit that may be claimed for that tax year.

1 (3) To claim a credit under this section for eligible
2 contributions made to a certified housing impact fund during the
3 tax year, the taxpayer shall submit reasonable proof of the
4 eligible contributions made and to which certified housing impact
5 fund during the tax year for which a credit is claimed under this
6 section and request certification of those eligible contributions.

7 (4) A taxpayer shall not claim a credit under this section
8 unless the authority has issued a certificate to the taxpayer. The
9 taxpayer shall attach the certificate to the annual return filed
10 under this part on which a credit under this section is claimed.
11 The certificate required under this subsection must state all of
12 the following:

13 (a) The name of the taxpayer.

14 (b) The name or project number assigned to the qualified
15 employer-assisted housing project or the name of each certified
16 housing impact fund to which eligible contributions were made, or
17 both, if applicable.

18 (c) The amount of eligible contributions made to each
19 certified housing impact fund for the designated tax year, the
20 costs incurred to implement and maintain the qualified employer-
21 assisted housing project for the designated tax year, and the total
22 amount of the credit that may be claimed for the designated tax
23 year. For contributions made and costs incurred by a taxpayer a
24 flow-through entity of which the taxpayer is a member, the
25 certificate shall separately state the amount of the credit that
26 each taxpayer who is a member of the flow-through entity is allowed
27 to claim for the designated tax year and that amount shall be based
28 on each member's proportionate share of ownership in that flow-
29 through entity or an alternative method approved by the department.

1 (d) The taxpayer's federal employer identification number or
2 the Michigan department of treasury number assigned to the
3 taxpayer.

4 (5) If the credit allowed under this section for the tax year
5 and any unused carryforward of the credit allowed by this section
6 exceed the tax liability of the taxpayer for the tax year, that
7 portion that exceeds the tax liability of the taxpayer shall not be
8 refunded but may be carried forward to offset tax liability in
9 subsequent tax years for 10 years or until used up, whichever
10 occurs first.

11 (6) As used in this section:

12 (a) "Adjusted household income" means that term as defined in
13 R 125.101 of the Michigan Administrative Code.

14 (b) "Certified housing impact fund" means a trust fund
15 certified by the Michigan state housing development authority under
16 section 22e of the state housing development authority act of 1966,
17 1966 PA 346, MCL 125.1422e, that dedicates and restricts its funds
18 to invest in local housing projects within this state and to
19 provide affordable housing within this state.

20 (c) "Eligible contribution" means any promissory note, grant,
21 or payment of money or property of any kind or value, approved by
22 the authority.

23 (d) "Michigan state housing development authority" or
24 "authority" means the authority created under the state housing
25 development authority act of 1966, 1966 PA 346, MCL 125.1401 to
26 125.1499c.

27 (e) "Qualified employee" mean an employee whose adjusted
28 household income is not more than 120% of the area median income,
29 as determined by the authority.

1 (f) "Qualified employer-assisted housing project" means an
2 employer-assisted housing project that is approved by the Michigan
3 state housing development authority under section 22e of the state
4 housing development authority act of 1966, 1966 PA 346, MCL
5 125.1422e, and implemented and maintained by the employer to offer
6 down-payment assistance, reduced-interest mortgages, mortgage
7 guarantee programs, rental subsidies, individual development
8 account savings plans, or any other similar type of assistance
9 approved by the authority, to its qualified employees to assist in
10 securing affordable housing near the workplace.

11 Sec. 678. (1) For tax years that begin on and after January 1,
12 2021, a taxpayer that makes an eligible contribution to a certified
13 housing impact trust fund or that offers its employees the option
14 to participate in a qualified employer-assisted housing project
15 that assists its employees in securing affordable housing near the
16 workplace may claim a credit against the tax imposed by this part
17 in an amount equal to 50% of the total eligible contributions made
18 during the tax year to a certified housing impact fund and 50% of
19 the total costs incurred to implement and maintain a qualified
20 employer-assisted housing projects for its employees.

21 (2) To claim the credit under this section for an employer-
22 assisted housing project, the taxpayer, in a form and manner as
23 prescribed by the Michigan state housing development authority
24 pursuant to section 22e of the state housing development authority
25 act of 1966, 1966 PA 346, MCL 125.1422e, shall submit an
26 application and an outline of its employer-assisted housing project
27 to the authority for approval. If the authority approves the
28 employer-assisted housing project, the authority shall notify the
29 employer that the project qualifies for the credit under this

1 section. If an application is denied under this subsection, the
2 applicant may file an appeal in a form and manner as prescribed by
3 the authority or subsequently reapply for the same employer-
4 assisted housing project or for another employer-assisted housing
5 project, or both. After the qualified employer-assisted housing
6 project is complete and has been implemented, the employer shall
7 provide the authority with the costs incurred to implement and
8 maintain that qualified employer-assisted housing project during
9 the tax year and the number of qualified employees who have
10 participated in the qualified employer-assisted housing project
11 during the tax year and request certification of its expenditures
12 and the amount of the credit that may be claimed for that tax year.

13 (3) To claim a credit under this section for eligible
14 contributions made to a certified housing impact fund during the
15 tax year, the taxpayer shall submit reasonable proof of the
16 eligible contributions made and to which certified housing impact
17 fund during the tax year for which a credit is claimed under this
18 section and request certification of those eligible contributions.

19 (4) A taxpayer shall not claim a credit under this section
20 unless the authority has issued a certificate to the taxpayer. The
21 taxpayer shall attach the certificate to the annual return filed
22 under this part on which a credit under this section is claimed.
23 The certificate required under this subsection must state all of
24 the following:

25 (a) The name of the taxpayer.

26 (b) The name or project number assigned to the qualified
27 employer-assisted housing project or the name of each certified
28 housing impact fund, or both, if applicable.

29 (c) The amount of eligible contributions made to each

1 certified housing impact fund for the designated tax year, the
2 costs incurred to implement and maintain the qualified employer-
3 assisted housing project for the designated tax year, and the total
4 amount of the credit that may be claimed for the designated tax
5 year.

6 (d) The taxpayer's federal employer identification number or
7 the Michigan department of treasury number assigned to the
8 taxpayer.

9 (5) If the credit allowed under this section for the tax year
10 and any unused carryforward of the credit allowed by this section
11 exceed the tax liability of the taxpayer for the tax year, that
12 portion that exceeds the tax liability of the taxpayer shall not be
13 refunded but may be carried forward to offset tax liability in
14 subsequent tax years for 10 years, or until used up, whichever
15 occurs first.

16 (6) As used in this section:

17 (a) "Adjusted household income" means that term as defined in
18 R 125.101 of the Michigan Administrative Code.

19 (b) "Certified housing impact fund" means a trust fund
20 certified by the Michigan state housing development authority under
21 section 22e of the state housing development authority act of 1966,
22 1966 PA 346, MCL 125.1422e, that dedicates and restricts its funds
23 to invest in local housing projects within this state and to
24 provide affordable housing within this state.

25 (c) "Eligible contribution" means any promise, grant, or
26 payment of money or property of any kind or value, including a
27 promise to pay, approved by the authority.

28 (d) "Michigan state housing development authority" or
29 "authority" means the authority created under the state housing

1 development authority act of 1966, 1966 PA 346, MCL 125.1401 to
2 125.1499c.

3 (e) "Qualified employee" means an employee whose adjusted
4 household income is not more than 120% of the area median income as
5 determined by the authority.

6 (f) "Qualified employer-assisted housing project" means an
7 employer-assisted housing project that is approved by the Michigan
8 state housing development authority under section 22e of the state
9 housing development authority act of 1966, 1966 PA 346, MCL
10 125.1422e, and implemented and maintained by the employer to offer
11 down-payment assistance, reduced-interest mortgages, mortgage
12 guarantee programs, rental subsidies, individual development
13 account savings plans, or any other similar type of assistance
14 approved by the authority, to its qualified employees.

15 Enacting section 1. This amendatory act does not take effect
16 unless Senate Bill No. 361 of the 101st Legislature is enacted into
17 law.