

# SENATE BILL NO. 360

April 15, 2021, Introduced by Senators VICTORY, HORN, BRINKS, DALEY, SANTANA, WOJNO, OUTMAN, LASATA, IRWIN, CHANG, ZORN, MOSS, VANDERWALL, BAYER, GEISS, POLEHANKI, ALEXANDER, BULLOCK, HOLLIER and SCHMIDT and referred to the Committee on Economic and Small Business Development.

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 is an employer that makes an eligible  
3       contribution to a local impact housing trust fund or that offers  
4       its employees the option to participate in a qualified employer-  
5       assisted housing project that assists its employees in securing  
6       affordable housing near the workplace may claim a credit against

1 the tax imposed by this part in an amount equal to 50% of the total  
2 eligible contributions made during the tax year to a local impact  
3 housing trust fund and 50% of the total costs incurred to provide  
4 and fund qualified employer-assisted housing projects for its  
5 employees. However, if the employer is a flow-through entity and  
6 the taxpayer is a member of the flow-through entity, then the  
7 taxpayer may claim credit against the member's tax liability under  
8 this part based on the member's proportionate share of ownership or  
9 an alternative method approved by the department.

10 (2) To claim the credit under this section, the employer, in a  
11 form and manner as prescribed by the Michigan state housing  
12 development authority, shall apply for approval of its employer-  
13 assisted housing project and certification of the eligible  
14 contributions made and costs incurred for the same during the tax  
15 year. A taxpayer shall not claim a credit under this section unless  
16 the authority has issued a certificate to the taxpayer. The  
17 taxpayer shall attach the certificate to the annual return filed  
18 under this part on which a credit under this section is claimed.  
19 The certificate required under this subsection must state all of  
20 the following:

21 (a) The name of the taxpayer.

22 (b) A description of each qualified employer-assisted housing  
23 project and the name of each local impact housing trust fund.

24 (c) The amount of eligible contributions made to each local  
25 impact housing trust fund and the costs incurred to provide and  
26 fund a qualified employer-assisted housing project for the  
27 designated tax year and the amount of the credit that may be  
28 claimed for the designated tax year. For contributions made and  
29 costs incurred by an employer that is a flow-through entity of

1 which the taxpayer is a member of the flow-through entity, the  
2 certificate shall separately state the amount of the credit that  
3 each taxpayer who is a member of the flow-through entity is allowed  
4 to claim for the designated tax year and that amount shall be based  
5 on each member's proportionate share of ownership in that flow-  
6 through entity or an alternative method approved by the department.

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

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

17 (4) As used in this section:

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

20 (b) "Eligible contribution" means any promise, grant, or  
21 payment of money or property of any kind or value, including a  
22 promise to pay, approved by the authority.

23 (c) "Local impact housing trust fund" means a trust fund  
24 established by a local community as a means to find local solutions  
25 to affordable housing and that dedicates and restricts its funds to  
26 invest in local housing projects and to provide affordable housing  
27 within the community.

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 employer-assisted housing project" means a  
4 project provided and funded by the employer that offers down-  
5 payment assistance, reduced-interest mortgages, mortgage guarantee  
6 programs, rental subsidies, individual development account savings  
7 plans, or any other similar type of project approved by the  
8 authority, to its employees to assist in securing affordable  
9 housing near the workplace, and those projects are restricted to  
10 employees whose adjusted household income is not more than 120% of  
11 the area median income, as determined by the authority.

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

22 (2) To claim the credit under this section, the taxpayer, in a  
23 form and manner as prescribed by the Michigan state housing  
24 development authority, shall apply for approval of its employer-  
25 assisted housing project and certification of the eligible  
26 contributions made and costs incurred for the same during the tax  
27 year. A taxpayer shall not claim a credit under this section unless  
28 the authority has issued a certificate to the taxpayer. The  
29 taxpayer shall attach the certificate to the annual return filed

1 under this part on which a credit under this section is claimed.  
2 The certificate required under this subsection must state all of  
3 the following:

4 (a) The name of the taxpayer.

5 (b) A description of each qualified employer-assisted housing  
6 project and the name of each local impact housing trust fund.

7 (c) The amount of eligible contributions made to each local  
8 impact housing trust fund for the designated tax year and the costs  
9 incurred to provide and fund a qualified employer-assisted housing  
10 project for the designated tax year and the amount of the credit  
11 that may be claimed for the designated tax year.

12 (d) The taxpayer's federal employer identification number or  
13 the Michigan department of treasury number assigned to the  
14 taxpayer.

15 (3) If the credit allowed under this section for the tax year  
16 and any unused carryforward of the credit allowed by this section  
17 exceed the tax liability of the taxpayer for the tax year, that  
18 portion that exceeds the tax liability of the taxpayer shall not be  
19 refunded but may be carried forward to offset tax liability in  
20 subsequent tax years for 10 years, or until used up, whichever  
21 occurs first.

22 (4) As used in this section:

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

25 (b) "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 (c) "Local impact housing trust fund" means a trust fund  
29 established by a local community as a means to find local solutions

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5 "authority" means the authority created under the state housing  
6 development authority act of 1966, 1966 PA 346, MCL 125.1401 to  
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8 (e) "Qualified employer-assisted housing project" means a  
9 project provided and funded by the employer that offers down-  
10 payment assistance, reduced-interest mortgages, mortgage guarantee  
11 programs, rental subsidies, individual development account savings  
12 plans, or any other similar type of project approved by the  
13 authority, to its employees to assist in securing affordable  
14 housing near the workplace, and those projects are restricted to  
15 employees whose adjusted household income is not more than 120% of  
16 the area median income, as determined by the authority.

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