

# SENATE BILL No. 904

May 26, 1988, Introduced by Senators ENGLER, DILLINGHAM, SHINKLE, CRUCE, CARL, CROUSEY, BINSFELD, SEDERBURG, SCHWARZ, DI NELLO and CONROY and referred to the Committee on Human Resources and Senior Citizens.

A bill to amend Act No. 228 of the Public Acts of 1975, entitled "Single business tax act," as amended, being sections 208.1 to 208.145 of the Michigan Compiled Laws, by adding section 38c.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 228 of the Public Acts of 1975, as  
2 amended, being sections 208.1 to 208.145 of the Michigan Compiled  
3 Laws, is amended by adding section 38c to read as follows:

4 SEC. 38C. (1) SUBJECT TO THE LIMITATIONS PROVIDED IN THIS  
5 SECTION, A TAXPAYER MAY CLAIM AS A CREDIT AGAINST THE TAX IMPOSED  
6 BY THIS ACT 50% OF THE AMOUNT THE TAXPAYER CONTRIBUTES DURING THE  
7 TAX YEAR TO NONPROFIT COMMUNITY HOUSING CORPORATIONS. A TAXPAYER  
8 SHALL NOT CLAIM AS A CREDIT UNDER THIS SECTION AN AMOUNT GREATER  
9 THAN EITHER 5% OF THE TAXPAYER'S TAX LIABILITY FOR THAT TAX YEAR

1 AS DETERMINED WITHOUT REGARD TO THIS SECTION AND OTHER CREDITS  
2 ALLOWED BY THIS ACT OR \$5,000.00, WHICHEVER IS LESS.

3 (2) THE CREDIT ALLOWED BY THIS SECTION IS NONREFUNDABLE, AND  
4 THE STATE TREASURER SHALL NOT PAY THE TAXPAYER ANY AMOUNT BY  
5 WHICH THE CREDIT EXCEEDS TAX LIABILITY, EITHER BEFORE OR AFTER  
6 OTHER CREDITS ARE SUBTRACTED FROM THAT TAX LIABILITY.

7 (3) AS USED IN THIS SECTION, "NONPROFIT COMMUNITY HOUSING  
8 CORPORATION" MEANS AN ORGANIZATION INCORPORATED UNDER THE NON-  
9 PROFIT CORPORATION ACT, ACT NO. 162 OF THE PUBLIC ACTS OF 1982,  
10 BEING SECTIONS 450.2101 TO 450.3192 OF THE MICHIGAN COMPILED  
11 LAWS, THAT, IN ADDITION TO OTHER REQUIREMENTS OF LAW, PROVIDES  
12 FOR ALL OF THE FOLLOWING IN ITS ARTICLES OF INCORPORATION:

13 (A) THAT THE CORPORATION IS ORGANIZED EXCLUSIVELY TO PROVIDE  
14 HOUSING FACILITIES FOR INDIVIDUALS WHOSE INCOMES DO NOT EXCEED  
15 LIMITS ESTABLISHED IN THE STATE HOUSING DEVELOPMENT AUTHORITY ACT  
16 OF 1966, ACT NO. 346 OF THE PUBLIC ACTS OF 1966, BEING SECTIONS  
17 125.1401 TO 125.1498F OF THE MICHIGAN COMPILED LAWS.

18 (B) THAT ALL THE INCOME AND EARNINGS OF THE CORPORATION ARE  
19 USED EXCLUSIVELY FOR CORPORATE PURPOSES AND THAT NO PART OF THE  
20 NET INCOME OR NET EARNINGS OF THE CORPORATION INURES TO THE BENE-  
21 FIT OR PROFIT OF A PRIVATE INDIVIDUAL, FIRM, CORPORATION, PART-  
22 NERSHIP, OR ASSOCIATION.

23 (C) THAT THE CORPORATION IS NOT CONTROLLED BY, UNDER THE  
24 DIRECTION OF, OR ACTING IN THE SUBSTANTIAL INTEREST OF A PRIVATE  
25 INDIVIDUAL, FIRM, PARTNERSHIP, OR ASSOCIATION SEEKING TO DERIVE  
26 PROFIT OR GAIN FROM THE CORPORATION OR SEEKING TO ELIMINATE OR

1 MINIMIZE LOSSES IN ANY DEALING OR TRANSACTIONS WITH THE  
2 CORPORATION.