

Legislative Analysis



HISTORIC PRESERVATION TAX CREDITS

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Senate Bill 569 and 570 as passed by the Senate

Sponsor: Sen. Jason E. Allen

House Committee: Tax Policy

Senate Committee: Finance

Complete to 1-31-06

A SUMMARY OF SENATE BILLS 569 AND 570 AS PASSED BY THE SENATE 9-7-05

The Income Tax Act (MCL 206.266) and the Single Business Tax Act (MCL 208.39c) allow qualified taxpayers to claim a credit against the income tax and SBT equal to up to 25 percent of any "qualified expenditures" for the rehabilitation of a "historic resource." Among other requirements, the historic resource must be located in any of the following:

- A designated historic district established by a local ordinance under the Local Historic District Act.
- An incorporated local unit of government with a population of no more than 5,000 that has not established a designated historic district under the Local Historic District Act.
- An unincorporated local unit of government.

Senate Bill 569 and Senate Bill 570 would amend the Income Tax Act and the Single Business Tax Act, respectively, to permit the historic resource to be located in *an incorporated local unit of government that has not established a designated historic district under the Local Historic District Act, and has been chartered under Public Act 39 of 1889*. Public Act 39 generally provides for the incorporation of an association for the purchase and improvement of land for summer homes, camp meetings, and meetings of societies organized for scientific or intellectual culture and for the promotion of religion and morality. (According to the Senate Fiscal Agency, the bill would apply to the local unit that includes the Bay View Association of the United Methodist Church. See [Background Information](#).)

The acts define "historic resource" to mean a publicly or privately owned historic building, structure, site, object, feature, or open space located within a historic district designated by the National Register of Historic Places, the State Register of Historic Sites, or a local unit acting under the Local Historic Districts Act; or that is individually listed on the State Register of Historic Sites or National Register of Historic Places.

BACKGROUND INFORMATION:

[According to the Senate Fiscal Agency, the bill would apply to the Bay View Association of the United Methodist Church, located just north of Petoskey, and make

property there eligible for historic preservation credits. According to information on the association's website,

Founded in 1875, the Bay View Association of the United Methodist Church is a private, voluntary membership institution. Bay View is a National Historic Landmark community which is home to more than 30 community-owned buildings, 440 cottages and two inns situated on 337 terraced acres in beautiful northwest Lower Michigan. Every summer, Bay View offers superb presentations of music, worship, lectures and educational seminars, all of which are open to the public.]

FISCAL IMPACT:

The combined fiscal impact of the bills split between Income Tax and Single Business Tax revenue should be less than \$200,000.

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