

HOUSE BILL No. 5312

October 16, 2007, Introduced by Reps. Proos, Johnson, Virgil Smith, Acciavatti, Pavlov, Moss, Marleau, Palsrok and Huizenga and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
(MCL 208.1101 to 208.1601) by adding section 451.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 451. (1) FOR THE 2008 TAX YEAR, A TAXPAYER MAY CLAIM A
2 CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 50% OF THE
3 TOTAL AMOUNT INVESTED IN A PROGRAM APPROVED BY THE MICHIGAN STATE
4 HOUSING DEVELOPMENT AUTHORITY THAT PROVIDES NEIGHBORHOOD
5 ASSISTANCE, JOB TRAINING OR EDUCATION FOR INDIVIDUALS WHO ARE NOT
6 EMPLOYED BY THE TAXPAYER, OR COMMUNITY SERVICES OR CRIME PREVENTION
7 IN AN ELIGIBLE DISTRESSED AREA OR CONTRIBUTED BY THE TAXPAYER TO A
8 NEIGHBORHOOD ORGANIZATION THAT ENGAGES IN THE ACTIVITIES OF
9 PROVIDING NEIGHBORHOOD ASSISTANCE, JOB TRAINING OR EDUCATION FOR
10 INDIVIDUALS WHO ARE NOT EMPLOYED BY THE TAXPAYER, OR COMMUNITY

1 SERVICES OR CRIME PREVENTION IN AN ELIGIBLE DISTRESSED AREA, OR
2 BOTH. THE AMOUNT ALLOWABLE AS A CREDIT UNDER THIS SECTION THAT ANY
3 1 TAXPAYER MAY CLAIM IN A SINGLE TAX YEAR SHALL NOT EXCEED
4 \$25,000.00. THE TOTAL AMOUNT OF ALL CREDITS APPROVED UNDER THIS
5 SECTION FOR A SINGLE TAX YEAR FOR ALL TAXPAYERS FOR ALL TAX YEARS
6 SHALL NOT EXCEED \$2,500,000.00.

7 (2) A TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION
8 UNLESS THE MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY HAS ISSUED
9 A CERTIFICATE TO THE TAXPAYER. THE TAXPAYER SHALL ATTACH THE
10 CERTIFICATE TO THE RETURN FILED UNDER THIS ACT ON WHICH A CREDIT
11 UNDER THIS SECTION IS CLAIMED. THE CERTIFICATE REQUIRED BY THIS
12 SUBSECTION SHALL STATE ALL OF THE FOLLOWING:

13 (A) THE TAXPAYER INVESTED IN AN APPROVED PROGRAM OR
14 CONTRIBUTED TO A NEIGHBORHOOD ORGANIZATION THAT PROVIDES
15 NEIGHBORHOOD ASSISTANCE OR PARTICIPATES IN AN APPROVED PROGRAM.

16 (B) THE AMOUNT OF THE INVESTMENT OR CONTRIBUTION MADE FOR THE
17 DESIGNATED TAX YEAR.

18 (C) THE TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER OR
19 THE MICHIGAN TREASURY NUMBER ASSIGNED.

20 (3) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE
21 TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION THAT
22 EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL BE REFUNDABLE.

23 (4) AS USED IN THIS SECTION:

24 (A) "COMMUNITY SERVICES" MEANS ANY TYPE OF COUNSELING AND
25 ADVICE, EMERGENCY ASSISTANCE, MEDICAL CARE, RECREATIONAL
26 FACILITIES, HOUSING FACILITIES, OR ECONOMIC DEVELOPMENT ASSISTANCE
27 TO INDIVIDUALS, GROUPS, OR NEIGHBORHOOD ORGANIZATIONS IN AN

1 ELIGIBLE DISTRESSED AREA.

2 (B) "CRIME PREVENTION" MEANS ANY ACTIVITY WHICH AIDS IN THE
3 REDUCTION OF CRIME IN AN ELIGIBLE DISTRESSED AREA.

4 (C) "EDUCATION" MEANS ANY TYPE OF SCHOLASTIC INSTRUCTION OR
5 SCHOLARSHIP ASSISTANCE TO AN INDIVIDUAL WHO RESIDES IN AN ELIGIBLE
6 DISTRESSED AREA THAT ENABLES THE INDIVIDUAL TO PREPARE FOR BETTER
7 LIFE OPPORTUNITIES.

8 (D) "ELIGIBLE DISTRESSED AREA" MEANS THAT TERM AS DEFINED IN
9 SECTION 11 OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966,
10 1966 PA 346, MCL 125.1411.

11 (E) "JOB TRAINING" MEANS ANY TYPE OF INSTRUCTION PROVIDED TO
12 AN INDIVIDUAL WHO RESIDES IN AN ELIGIBLE DISTRESSED AREA THAT
13 ENABLES THE INDIVIDUAL TO ACQUIRE VOCATIONAL SKILLS SO THAT THE
14 INDIVIDUAL CAN BECOME EMPLOYABLE OR BE ABLE TO SEEK A HIGHER GRADE
15 OF EMPLOYMENT.

16 (F) "MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY" MEANS THE
17 AUTHORITY CREATED IN SECTION 21 OF THE STATE HOUSING DEVELOPMENT
18 AUTHORITY ACT OF 1966, 1966 PA 346, MCL 125.1421.

19 (G) "NEIGHBORHOOD ASSISTANCE" MEANS EITHER OF THE FOLLOWING:

20 (i) FURNISHING FINANCIAL ASSISTANCE, LABOR, MATERIAL, AND
21 TECHNICAL ADVICE TO AID IN THE PHYSICAL OR ECONOMIC IMPROVEMENT OF
22 ANY PART OR ALL OF AN ELIGIBLE DISTRESSED AREA.

23 (ii) FURNISHING TECHNICAL ADVICE TO PROMOTE HIGHER EMPLOYMENT
24 IN ANY NEIGHBORHOOD IN THIS STATE.

25 (H) "NEIGHBORHOOD ORGANIZATION" MEANS ANY ORGANIZATION THAT IS
26 EXEMPT UNDER SECTION 501 OF THE INTERNAL REVENUE CODE AND THAT
27 PERFORMS COMMUNITY SERVICES IN AN ELIGIBLE DISTRESSED AREA.

1 Enacting section 1. This amendatory act takes effect January
2 1, 2008.

3 Enacting section 2. This amendatory act does not take effect
4 unless all of the following bills of the 94th Legislature are
5 enacted into law:

6 (a) Senate Bill No.____ or House Bill No. 5313(request no.
7 03642'07).

8 (b) Senate Bill No.____ or House Bill No. 5311(request no.
9 03713'07 *).