

HOUSE BILL NO. 4650

April 15, 2021, Introduced by Reps. Huizenga, Tisdell, Marino, Hood, Kuppa, Griffin, Manoogian, Tyrone Carter, Brann, Brixie and Sabo and referred to the Committee on Local Government and Municipal Finance.

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**

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

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

22 (a) The name of the taxpayer.

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

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

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

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

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

18 (4) As used in this section:

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

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

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

29 (d) "Michigan state housing development authority" or

1 "authority" means the authority created under the state housing
2 development authority act of 1966, 1966 PA 346, MCL 125.1401 to
3 125.1499c.

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

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

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

1 taxpayer shall attach the certificate to the annual return filed
2 under this part on which a credit under this section is claimed.
3 The certificate required under this subsection must state all of
4 the following:

5 (a) The name of the taxpayer.

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

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

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

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

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27 payment of money or property of any kind or value, including a
28 promise to pay, approved by the authority.

29 (c) "Local impact housing trust fund" means a trust fund

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

18 Enacting section 1. This amendatory act does not take effect
19 unless Senate Bill No. ____ or House Bill No. 4649 (request no.
20 01239'21 a) of the 101st Legislature is enacted into law.