

SENATE BILL NO. 1230

November 29, 2022, Introduced by Senators ANANICH and GEISS and referred to the Committee on Appropriations.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.847) by adding section 280.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 280. (1) Subject to the limitations under this section,
2 for tax years that begin on and after January 1, 2023, a taxpayer
3 that owns residential rental property and enters into a qualified
4 rental agreement with an individual who is between the ages of 18
5 and 21 and is a current or former foster care participant in the

1 state foster care program may claim a credit against the tax
2 imposed by this part in an amount equal to \$200.00 per month for
3 each month the qualified rental agreement is in effect for each
4 residential rental property dwelling unit for the tax year. The
5 amount of the credit allowed under this section must not exceed
6 \$2,500.00 per taxpayer per tax year.

7 (2) To be eligible to claim the credit under this section, the
8 department may require the taxpayer to submit a copy of the
9 qualified rental agreement and reasonable proof that the individual
10 with whom the taxpayer entered into the qualified rental agreement
11 was an individual who is between the ages of 18 and 21 and is a
12 current or former foster care participant in the state foster care
13 program. The credit must be claimed in a form and manner as
14 prescribed by the department.

15 (3) If the amount of the credit allowed under this section
16 exceeds the tax liability of the taxpayer for the tax year, that
17 portion of the credit that exceeds the tax liability shall be
18 refunded.

19 (4) As used in this section:

20 (a) "Fair market rent" means the fair market rent for
21 comparable spaces in that area as established by the United States
22 Department of Housing and Urban Development for that year.

23 (b) "Qualified rental agreement" means a rental agreement that
24 provides for a monthly rental amount that is less than the fair
25 market rent and for a duration of not less than 6 months.

26 (c) "Rental agreement" means an agreement that establishes or
27 modifies the terms, conditions, rules, regulations, or any other
28 provisions concerning the use and occupancy of a rental unit.

29 (d) "Residential rental property" means that portion of real

1 property not occupied by an owner of that real property that is
2 used for residential purposes and that is classified as residential
3 real property under section 34c of the general property tax act,
4 1893 PA 206, MCL 211.34c, is a multiple-unit dwelling, or is a
5 dwelling unit in a multiple-purpose structure.