

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 973

A bill to amend 2007 PA 36, entitled  
"Michigan business tax act,"  
by amending section 435 (MCL 208.1435), as amended by 2007 PA 216.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 435. (1) A qualified taxpayer with a rehabilitation plan  
2 certified after December 31, 2007 or a qualified taxpayer that has  
3 a rehabilitation plan certified before January 1, 2008 under  
4 section 39c of former 1975 PA 228 for the rehabilitation of an  
5 historic resource for which a certification of completed  
6 rehabilitation has been issued after the end of the taxpayer's last  
7 tax year may credit against the tax imposed by this act the amount  
8 determined pursuant to subsection (2) for the qualified  
9 expenditures for the rehabilitation of an historic resource  
10 pursuant to the rehabilitation plan in the year in which the

1 certification of completed rehabilitation of the historic resource  
2 is issued. ~~provided that the certification of completed~~  
3 ~~rehabilitation was issued not more than 5 years after the~~  
4 ~~rehabilitation plan was certified by the Michigan historical~~  
5 ~~center.~~ **ONLY THOSE EXPENDITURES THAT ARE PAID OR INCURRED DURING**  
6 **THE TIME PERIODS PRESCRIBED FOR THE CREDIT UNDER SECTION 47(A)(2)**  
7 **OF THE INTERNAL REVENUE CODE AND ANY RELATED TREASURY REGULATIONS**  
8 **SHALL BE CONSIDERED QUALIFIED EXPENDITURES.**

9 (2) The credit allowed under this ~~section~~ **SUBSECTION** shall be  
10 25% of the qualified expenditures that are eligible, **OR WOULD HAVE**  
11 **BEEN ELIGIBLE EXCEPT THAT THE TAXPAYER ENTERED INTO AN AGREEMENT**  
12 **UNDER SUBSECTION (13)**, for the credit under section 47(a)(2) of the  
13 internal revenue code if the taxpayer is eligible for the credit  
14 under section 47(a)(2) of the internal revenue code or, if the  
15 taxpayer is not eligible for the credit under section 47(a)(2) of  
16 the internal revenue code, 25% of the qualified expenditures that  
17 would qualify under section 47(a)(2) of the internal revenue code  
18 except that the expenditures are made to an historic resource that  
19 is not eligible for the credit under section 47(a)(2) of the  
20 internal revenue code, subject to both of the following:

21 (a) A taxpayer with qualified expenditures that are eligible  
22 for the credit under section 47(a)(2) of the internal revenue code  
23 may not claim a credit under this section for those qualified  
24 expenditures unless the taxpayer has claimed and received a credit  
25 for those qualified expenditures under section 47(a)(2) of the  
26 internal revenue code **OR THE TAXPAYER HAS ENTERED INTO AN AGREEMENT**  
27 **UNDER SUBSECTION (13).**

1 (b) A credit under this ~~section~~**SUBSECTION** shall be reduced by  
2 the amount of a credit received by the taxpayer for the same  
3 qualified expenditures under section 47(a)(2) of the internal  
4 revenue code.

5 (3) To be eligible for the credit under ~~this section~~  
6 **SUBSECTION (2)**, the taxpayer shall apply to and receive from the  
7 Michigan historical center certification that the historic  
8 significance, the rehabilitation plan, and the completed  
9 rehabilitation of the historic resource meet the criteria under  
10 subsection (6) and either of the following:

11 (a) All of the following criteria:

12 (i) The historic resource contributes to the significance of  
13 the historic district in which it is located.

14 (ii) Both the rehabilitation plan and completed rehabilitation  
15 of the historic resource meet the federal secretary of the  
16 interior's standards for rehabilitation and guidelines for  
17 rehabilitating historic buildings, 36 CFR part 67.

18 (iii) All rehabilitation work has been done to or within the  
19 walls, boundaries, or structures of the historic resource or to  
20 historic resources located within the property boundaries of the  
21 property.

22 (b) The taxpayer has received certification from the national  
23 park service that the historic resource's significance, the  
24 rehabilitation plan, and the completed rehabilitation qualify for  
25 the credit allowed under section 47(a)(2) of the internal revenue  
26 code.

27 (4) If a qualified taxpayer is eligible for the credit allowed

1 under section 47(a)(2) of the internal revenue code, the qualified  
2 taxpayer shall file for certification with the center to qualify  
3 for the credit allowed under section 47(a)(2) of the internal  
4 revenue code. If the qualified taxpayer has previously filed for  
5 certification with the center to qualify for the credit allowed  
6 under section 47(a)(2) of the internal revenue code, additional  
7 filing for the credit allowed under this section is not required.

8 (5) The center may inspect an historic resource at any time  
9 during the rehabilitation process and may revoke certification of  
10 completed rehabilitation if the rehabilitation was not undertaken  
11 as represented in the rehabilitation plan or if unapproved  
12 alterations to the completed rehabilitation are made during the 5  
13 years after the tax year in which the credit was claimed. The  
14 center shall promptly notify the department of a revocation.

15 (6) Qualified expenditures for the rehabilitation of an  
16 historic resource may be used to calculate the credit under this  
17 section if the historic resource meets 1 of the criteria listed in  
18 subdivision (a) and 1 of the criteria listed in subdivision (b):

19 (a) The resource is 1 of the following during the tax year in  
20 which a credit under this section is claimed for those qualified  
21 expenditures:

22 (i) Individually listed on the national register of historic  
23 places or state register of historic sites.

24 (ii) A contributing resource located within an historic  
25 district listed on the national register of historic places or the  
26 state register of historic sites.

27 (iii) A contributing resource located within an historic

1 district designated by a local unit pursuant to an ordinance  
2 adopted under the local historic districts act, 1970 PA 169, MCL  
3 399.201 to 399.215.

4 (b) The resource meets 1 of the following criteria during the  
5 tax year in which a credit under this section is claimed for those  
6 qualified expenditures:

7 (i) The historic resource is located in a designated historic  
8 district in a local unit of government with an existing ordinance  
9 under the local historic districts act, 1970 PA 169, MCL 399.201 to  
10 399.215.

11 (ii) The historic resource is located in an incorporated local  
12 unit of government that does not have an ordinance under the local  
13 historic districts act, 1970 PA 169, MCL 399.201 to 399.215, and  
14 has a population of less than 5,000.

15 (iii) The historic resource is located in an unincorporated  
16 local unit of government.

17 (iv) The historic resource is located in an incorporated local  
18 unit of government that does not have an ordinance under the local  
19 historic districts act, 1970 PA 169, MCL 399.201 to 399.215, and is  
20 located within the boundaries of an association that has been  
21 chartered under 1889 PA 39, MCL 455.51 to 455.72.

22 (v) **THE HISTORIC RESOURCE IS SUBJECT TO A HISTORIC**  
23 **PRESERVATION EASEMENT.**

24 (7) ~~IF~~ **FOR PROJECTS FOR WHICH A CERTIFICATE OF COMPLETED**  
25 **REHABILITATION IS ISSUED FOR A TAX YEAR BEGINNING BEFORE JANUARY 1,**  
26 **2009, IF** a qualified taxpayer is a partnership, limited liability  
27 company, or subchapter S corporation, the qualified taxpayer may

1 assign all or any portion of a credit allowed under this section to  
2 its partners, members, or shareholders, based on the partner's,  
3 member's, or shareholder's proportionate share of ownership or  
4 based on an alternative method approved by the department. A credit  
5 assignment under this subsection is irrevocable and shall be made  
6 in the tax year in which a certificate of completed rehabilitation  
7 is issued. A qualified taxpayer may claim a portion of a credit and  
8 assign the remaining credit amount. A partner, member, or  
9 shareholder that is an assignee shall not subsequently assign a  
10 credit or any portion of a credit assigned to the partner, member,  
11 or shareholder under this subsection. A credit amount assigned  
12 under this subsection may be claimed against the partner's,  
13 member's, or shareholder's tax liability under this act or under  
14 the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532. A  
15 credit assignment under this subsection shall be made on a form  
16 prescribed by the department. The qualified taxpayer and assignees  
17 shall ~~send~~**ATTACH** a copy of the completed assignment form to the  
18 department in the tax year in which the assignment is made and  
19 attach a copy of the completed assignment form to the annual return  
20 required to be filed under this act for that tax year.

21 **(8) FOR PROJECTS FOR WHICH A CERTIFICATE OF COMPLETED**  
22 **REHABILITATION IS ISSUED FOR A TAX YEAR BEGINNING AFTER DECEMBER**  
23 **31, 2008, A QUALIFIED TAXPAYER MAY ASSIGN ALL OR ANY PORTION OF THE**  
24 **CREDIT ALLOWED UNDER THIS SECTION. A CREDIT ASSIGNMENT UNDER THIS**  
25 **SUBSECTION IS IRREVOCABLE AND SHALL BE MADE IN THE TAX YEAR IN**  
26 **WHICH A CERTIFICATE OF COMPLETED REHABILITATION IS ISSUED. A**  
27 **QUALIFIED TAXPAYER MAY CLAIM A PORTION OF A CREDIT AND ASSIGN THE**

1 REMAINING AMOUNT. IF THE QUALIFIED TAXPAYER BOTH CLAIMS AND ASSIGNS  
2 PORTIONS OF THE CREDIT, THE QUALIFIED TAXPAYER SHALL CLAIM THE  
3 PORTION IT CLAIMS IN THE TAX YEAR IN WHICH A CERTIFICATE OF  
4 COMPLETED REHABILITATION IS ISSUED PURSUANT TO THIS SECTION. AN  
5 ASSIGNEE MAY SUBSEQUENTLY ASSIGN THE CREDIT OR ANY PORTION OF THE  
6 CREDIT ASSIGNED UNDER THIS SUBSECTION TO 1 OR MORE ASSIGNEES. AN  
7 ASSIGNMENT OR SUBSEQUENT REASSIGNMENT OF A CREDIT CAN BE MADE IN  
8 THE YEAR THE CERTIFICATE OF COMPLETED REHABILITATION IS ISSUED. A  
9 CREDIT ASSIGNMENT OR SUBSEQUENT REASSIGNMENT UNDER THIS SECTION  
10 SHALL BE MADE ON A FORM PRESCRIBED BY THE DEPARTMENT. THE  
11 DEPARTMENT OR ITS DESIGNEE SHALL REVIEW AND ISSUE A COMPLETED  
12 ASSIGNMENT OR REASSIGNMENT CERTIFICATE TO THE ASSIGNEE OR  
13 REASSIGNEE. A CREDIT AMOUNT ASSIGNED UNDER THIS SUBSECTION MAY BE  
14 CLAIMED AGAINST THE ASSIGNEES' TAX UNDER THIS ACT OR UNDER THE  
15 INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.1 TO 206.532. AN  
16 ASSIGNEE OR SUBSEQUENT REASSIGNEE SHALL ATTACH A COPY OF THE  
17 COMPLETED ASSIGNMENT CERTIFICATE TO THE ANNUAL RETURN REQUIRED TO  
18 BE FILED UNDER THIS ACT OR UNDER THE INCOME TAX ACT OF 1967, 1967  
19 PA 281, MCL 206.1 TO 206.532, FOR THE TAX YEAR IN WHICH THE  
20 ASSIGNMENT OR REASSIGNMENT IS MADE AND THE ASSIGNEE OR REASSIGNEE  
21 FIRST CLAIMS THE CREDIT, WHICH SHALL BE THE SAME TAX YEAR.

22 (9) ~~(8)~~—If the credit allowed under this section for the tax  
23 year and any unused carryforward of the credit allowed by this  
24 section exceed the taxpayer's tax liability for the tax year, that  
25 portion that exceeds the tax liability for the tax year shall not  
26 be refunded but may be carried forward to offset tax liability in  
27 subsequent tax years for 10 years or until used up, whichever

1 occurs first. An unused carryforward of a credit under section 39c  
2 of former 1975 PA 228 that was unused at the end of the last tax  
3 year for which former 1975 PA 228 was in effect may be claimed  
4 against the tax imposed under this act for the years the  
5 carryforward would have been available under section 39c of former  
6 1975 PA 228. **FOR PROJECTS FOR WHICH A CERTIFICATE OF COMPLETED**  
7 **REHABILITATION IS ISSUED FOR A TAX YEAR BEGINNING AFTER DECEMBER**  
8 **31, 2008 AND FOR WHICH THE CREDIT AMOUNT ALLOWED IS LESS THAN**  
9 **\$250,000.00, A QUALIFIED TAXPAYER MAY ELECT TO FORGO THE CARRYOVER**  
10 **PERIOD AND RECEIVE A REFUND OF THE AMOUNT OF THE CREDIT THAT**  
11 **EXCEEDS THE QUALIFIED TAXPAYER'S TAX LIABILITY. THE AMOUNT OF THE**  
12 **REFUND SHALL BE EQUAL TO 90% OF THE AMOUNT OF THE CREDIT THAT**  
13 **EXCEEDS THE QUALIFIED TAXPAYER'S TAX LIABILITY. AN ELECTION UNDER**  
14 **THIS SUBSECTION SHALL BE MADE IN THE YEAR THAT A CERTIFICATE OF**  
15 **COMPLETED REHABILITATION IS ISSUED AND SHALL BE IRREVOCABLE.**

16 (10) ~~(9) If~~ **FOR TAX YEARS BEGINNING BEFORE JANUARY 1, 2009, IF**  
17 the taxpayer sells an historic resource for which a credit was  
18 claimed under this section or under section 39c of former 1975 PA  
19 228 less than 5 years after the year in which the credit was  
20 claimed, the following percentage of the credit amount previously  
21 claimed relative to that historic resource shall be added back to  
22 the tax liability of the taxpayer in the year of the sale:

23 (a) If the sale is less than 1 year after the year in which  
24 the credit was claimed, 100%.

25 (b) If the sale is at least 1 year but less than 2 years after  
26 the year in which the credit was claimed, 80%.

27 (c) If the sale is at least 2 years but less than 3 years



1 after the year in which the credit was claimed, 60%.

2 (d) If the sale is at least 3 years but less than 4 years  
3 after the year in which the credit was claimed, 40%.

4 (e) If the sale is at least 4 years but less than 5 years  
5 after the year in which the credit was claimed, 20%.

6 (f) If the sale is 5 years or more after the year in which the  
7 credit was claimed, an addback to the taxpayer's tax liability  
8 shall not be made.

9 (11) ~~(10) If~~ **FOR TAX YEARS BEGINNING BEFORE JANUARY 1, 2009,**  
10 **IF** a certification of completed rehabilitation is revoked under  
11 subsection (5) less than 5 years after the year in which a credit  
12 was claimed under this section or under section 39c of former 1975  
13 PA 228, the following percentage of the credit amount previously  
14 claimed relative to that historic resource shall be added back to  
15 the tax liability of the taxpayer in the year of the revocation:

16 (a) If the revocation is less than 1 year after the year in  
17 which the credit was claimed, 100%.

18 (b) If the revocation is at least 1 year but less than 2 years  
19 after the year in which the credit was claimed, 80%.

20 (c) If the revocation is at least 2 years but less than 3  
21 years after the year in which the credit was claimed, 60%.

22 (d) If the revocation is at least 3 years but less than 4  
23 years after the year in which the credit was claimed, 40%.

24 (e) If the revocation is at least 4 years but less than 5  
25 years after the year in which the credit was claimed, 20%.

26 (f) If the revocation is 5 years or more after the year in  
27 which the credit was claimed, an addback to the taxpayer's tax

1 liability shall not be made.

2 (12) EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTION (13), FOR  
3 TAX YEARS BEGINNING AFTER DECEMBER 31, 2008, IF A CERTIFICATE OF  
4 COMPLETED REHABILITATION IS REVOKED UNDER SUBSECTION (5) OR (22) OR  
5 AN HISTORIC RESOURCE IS SOLD OR DISPOSED OF LESS THAN 5 YEARS AFTER  
6 THE HISTORIC RESOURCE IS PLACED IN SERVICE AS DEFINED IN SECTION  
7 47(B) (1) OF THE INTERNAL REVENUE CODE AND RELATED TREASURY  
8 REGULATIONS OR IF A CERTIFICATE OF COMPLETED REHABILITATION ISSUED  
9 AFTER DECEMBER 1, 2008 IS REVOKED UNDER SUBSECTION (5) OR (22)  
10 DURING A TAX YEAR BEGINNING AFTER DECEMBER 31, 2008 OR AN HISTORIC  
11 RESOURCE IS SOLD OR DISPOSED OF LESS THAN 5 YEARS AFTER THE  
12 HISTORIC RESOURCE IS PLACED IN SERVICE DURING A TAX YEAR BEGINNING  
13 AFTER DECEMBER 31, 2008, THE FOLLOWING PERCENTAGE OF THE CREDIT  
14 AMOUNT PREVIOUSLY CLAIMED RELATIVE TO THAT HISTORIC RESOURCE SHALL  
15 BE ADDED BACK TO THE TAX LIABILITY OF THE QUALIFIED TAXPAYER THAT  
16 RECEIVED THE CERTIFICATE OF COMPLETED REHABILITATION AND NOT THE  
17 ASSIGNEE IN THE YEAR OF THE REVOCATION:

18 (A) IF THE REVOCATION IS LESS THAN 1 YEAR AFTER THE HISTORIC  
19 RESOURCE IS PLACED IN SERVICE, 100%.

20 (B) IF THE REVOCATION IS AT LEAST 1 YEAR BUT LESS THAN 2 YEARS  
21 AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 80%.

22 (C) IF THE REVOCATION IS AT LEAST 2 YEARS BUT LESS THAN 3  
23 YEARS AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 60%.

24 (D) IF THE REVOCATION IS AT LEAST 3 YEARS BUT LESS THAN 4  
25 YEARS AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 40%.

26 (E) IF THE REVOCATION IS AT LEAST 4 YEARS BUT LESS THAN 5  
27 YEARS AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 20%.

1 (F) IF THE REVOCATION IS AT LEAST 5 YEARS OR MORE AFTER THE  
2 HISTORIC RESOURCE IS PLACED IN SERVICE, AN ADD BACK TO THE  
3 QUALIFIED TAXPAYER TAX LIABILITY SHALL NOT BE REQUIRED.

4 (13) SUBSECTION (12) SHALL NOT APPLY IF THE QUALIFIED TAXPAYER  
5 ENTERS INTO A WRITTEN AGREEMENT WITH THE STATE HISTORIC  
6 PRESERVATION OFFICE THAT WILL ALLOW FOR THE TRANSFER OR SALE OF THE  
7 HISTORIC RESOURCE AND PROVIDES THE FOLLOWING:

8 (A) REASONABLE ASSURANCE THAT SUBSEQUENT TO THE TRANSFER THE  
9 PROPERTY WILL REMAIN A HISTORIC RESOURCE DURING THE 5-YEAR PERIOD  
10 AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE.

11 (B) A METHOD THAT THE DEPARTMENT CAN RECOVER AN AMOUNT FROM  
12 THE TAXPAYER EQUAL TO THE APPROPRIATE PERCENTAGE OF CREDIT ADDED  
13 BACK AS DESCRIBED UNDER SUBSECTION (12).

14 (C) AN ENCUMBRANCE ON THE TITLE TO THE HISTORIC RESOURCE BEING  
15 SOLD OR TRANSFERRED, STATING THAT THE PROPERTY MUST REMAIN A  
16 HISTORIC RESOURCE THROUGHOUT THE 5-YEAR PERIOD AFTER THE HISTORIC  
17 RESOURCE IS PLACED IN SERVICE.

18 (D) A PROVISION FOR THE PAYMENT BY THE TAXPAYER OF ALL LEGAL  
19 AND PROFESSIONAL FEES ASSOCIATED WITH THE DRAFTING, REVIEW, AND  
20 RECORDING OF THE WRITTEN AGREEMENT REQUIRED UNDER THIS SUBSECTION.

21 (14) ~~(11)~~—The department of history, arts, and libraries  
22 through the Michigan historical center may impose a fee to cover  
23 the administrative cost of implementing the program under this  
24 section.

25 (15) ~~(12)~~—The qualified taxpayer shall attach all of the  
26 following to the qualified taxpayer's annual return required under  
27 this act or under the income tax act of 1967, 1967 PA 281, MCL

1 206.1 to 206.532, if applicable, on which the credit is claimed:

2 (a) Certification of completed rehabilitation.

3 (b) Certification of historic significance related to the  
4 historic resource and the qualified expenditures used to claim a  
5 credit under this section.

6 (c) A completed assignment form if the qualified taxpayer **OR**  
7 **ASSIGNEE** has assigned any portion of a credit allowed under this  
8 section ~~to a partner, member, or shareholder~~ or if the taxpayer is  
9 an assignee of any portion of a credit allowed under this section.

10 (16) ~~(13)~~—The department of history, arts, and libraries shall  
11 promulgate rules to implement this section pursuant to the  
12 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
13 24.328.

14 (17) ~~(14)~~—The total of the credits claimed under ~~this section~~  
15 **SUBSECTION (2)** and section 266 of the income tax act of 1967, 1967  
16 PA 281, MCL 206.266, for a rehabilitation project shall not exceed  
17 25% of the total qualified expenditures eligible for the credit  
18 under ~~this section~~ **SUBSECTION (2)** for that rehabilitation project.

19 (18) ~~(15)~~—The department of history, arts, and libraries  
20 through the Michigan historical center shall report all of the  
21 following to the legislature annually for the immediately preceding  
22 state fiscal year:

23 (a) The fee schedule used by the center and the total amount  
24 of fees collected.

25 (b) A description of each rehabilitation project certified.

26 (c) The location of each new and ongoing rehabilitation  
27 project.

1           (19) IN ADDITION TO THE CREDIT ALLOWED UNDER SUBSECTION (2)  
2 AND SUBJECT TO THE CRITERIA UNDER THIS SUBSECTION AND SUBSECTIONS  
3 (21), (22), AND (23), FOR TAX YEARS THAT BEGIN ON AND AFTER JANUARY  
4 1, 2009 A QUALIFIED TAXPAYER THAT HAS A PREAPPROVAL LETTER ISSUED  
5 ON OR BEFORE DECEMBER 31, 2013 MAY CLAIM AN ADDITIONAL CREDIT THAT  
6 HAS BEEN APPROVED UNDER THIS SUBSECTION OR SUBSECTION (20) AGAINST  
7 THE TAX IMPOSED BY THIS ACT EQUAL TO A PERCENTAGE ESTABLISHED IN  
8 THE TAXPAYER'S PREAPPROVAL LETTER OF THE QUALIFIED TAXPAYER'S  
9 QUALIFIED EXPENDITURES FOR THE REHABILITATION OF AN HISTORIC  
10 RESOURCE OR THE ACTUAL AMOUNT OF THE QUALIFIED TAXPAYER'S QUALIFIED  
11 EXPENDITURES INCURRED DURING THE COMPLETION OF THE REHABILITATION  
12 OF AN HISTORIC RESOURCE, WHICHEVER IS LESS. THE TOTAL AMOUNT OF ALL  
13 ADDITIONAL CREDITS APPROVED UNDER THIS SUBSECTION SHALL NOT EXCEED  
14 \$8,000,000.00 IN CALENDAR YEAR ENDING DECEMBER 31, 2009;  
15 \$9,000,000.00 IN CALENDAR YEAR ENDING DECEMBER 31, 2010;  
16 \$10,000,000.00 IN CALENDAR YEAR ENDING DECEMBER 31, 2011;  
17 \$11,000,000.00 IN CALENDAR YEAR ENDING DECEMBER 31, 2012; AND  
18 \$12,000,000.00 IN CALENDAR YEAR ENDING DECEMBER 31, 2013 AND,  
19 EXCEPT AS OTHERWISE PROVIDED UNDER THIS SUBSECTION, AT LEAST, 25%  
20 OF THE ALLOTTED AMOUNT FOR ADDITIONAL CREDITS APPROVED UNDER THIS  
21 SUBSECTION DURING EACH CALENDAR YEAR SHALL BE ALLOCATED TO  
22 REHABILITATION PLANS THAT HAVE \$1,000,000.00 OR LESS IN QUALIFIED  
23 EXPENDITURES. ON OCTOBER 1 OF EACH CALENDAR YEAR, IF THE TOTAL OF  
24 ALL CREDITS APPROVED UNDER SUBSECTION (19) (A) FOR THE CALENDAR YEAR  
25 IS LESS THAN THE MINIMUM ALLOTTED AMOUNT, THE DEPARTMENT OF  
26 HISTORY, ARTS, AND LIBRARIES MAY USE THE REMAINDER OF THAT ALLOTTED  
27 AMOUNT TO APPROVE APPLICATIONS FOR ADDITIONAL CREDITS SUBMITTED

1 UNDER SUBSECTION (19) (B) FOR THAT CALENDAR YEAR. TO BE ELIGIBLE FOR  
2 THE ADDITIONAL CREDIT UNDER THIS SUBSECTION, THE TAXPAYER SHALL  
3 APPLY TO AND RECEIVE A PREAPPROVAL LETTER AND COMPLY WITH THE  
4 FOLLOWING:

5 (A) FOR A REHABILITATION PLAN THAT HAS \$1,000,000.00 OR LESS  
6 IN QUALIFIED EXPENDITURES, THE TAXPAYER SHALL APPLY TO THE  
7 DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES FOR APPROVAL OF THE  
8 ADDITIONAL CREDIT UNDER THIS SUBSECTION. SUBJECT TO THE LIMITATION  
9 PROVIDED UNDER THIS SUBSECTION, THE DIRECTOR OF THE DEPARTMENT OF  
10 HISTORY, ARTS, AND LIBRARIES OR HIS OR HER DESIGNEE IS AUTHORIZED  
11 TO APPROVE AN APPLICATION UNDER THIS SUBDIVISION AND DETERMINE THE  
12 PERCENTAGE OF AT LEAST 10% BUT NOT MORE THAN 15% OF THE TAXPAYER'S  
13 QUALIFIED EXPENDITURES FOR WHICH HE OR SHE MAY CLAIM AN ADDITIONAL  
14 CREDIT. IF THE DIRECTOR OF THE DEPARTMENT OF HISTORY, ARTS, AND  
15 LIBRARIES OR HIS OR HER DESIGNEE APPROVES THE APPLICATION UNDER  
16 THIS SUBDIVISION, THEN HE OR SHE SHALL ISSUE A PREAPPROVAL LETTER  
17 TO THE TAXPAYER THAT STATES THAT THE TAXPAYER IS A QUALIFIED  
18 TAXPAYER AND THE MAXIMUM PERCENTAGE OF THE QUALIFIED EXPENDITURES  
19 ON WHICH A CREDIT MAY BE CLAIMED FOR THE REHABILITATION PLAN WHEN  
20 IT IS COMPLETE AND A CERTIFICATION OF COMPLETED REHABILITATION IS  
21 ISSUED.

22 (B) FOR A REHABILITATION PLAN THAT HAS MORE THAN \$1,000,000.00  
23 IN QUALIFIED EXPENDITURES, THE TAXPAYER SHALL APPLY TO THE  
24 DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES FOR APPROVAL OF THE  
25 ADDITIONAL CREDIT UNDER THIS SUBSECTION. THE DIRECTOR OF THE  
26 DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES OR HIS OR HER DESIGNEE,  
27 SUBJECT TO THE APPROVAL OF THE PRESIDENT OF THE MICHIGAN STRATEGIC

1 FUND OR HIS OR HER DESIGNEE, IS AUTHORIZED TO APPROVE AN  
2 APPLICATION UNDER THIS SUBDIVISION AND DETERMINE THE PERCENTAGE OF  
3 UP TO 15% OF THE TAXPAYER'S QUALIFIED EXPENDITURES FOR WHICH HE OR  
4 SHE MAY CLAIM AN ADDITIONAL CREDIT. AN APPLICATION SHALL BE  
5 APPROVED OR DENIED NOT MORE THAN 15 BUSINESS DAYS AFTER THE  
6 DIRECTOR OF THE DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES OR HIS  
7 OR HER DESIGNEE HAS REVIEWED THE APPLICATION, DETERMINED THE  
8 PERCENTAGE AMOUNT OF THE CREDIT FOR THAT APPLICANT, AND SUBMITTED  
9 THE SAME TO THE PRESIDENT OF THE MICHIGAN STRATEGIC FUND OR HIS OR  
10 HER DESIGNEE. IF THE PRESIDENT OF THE MICHIGAN STRATEGIC FUND OR  
11 HIS OR HER DESIGNEE DOES NOT APPROVE OR DENY THE APPLICATION WITHIN  
12 15 BUSINESS DAYS AFTER THE APPLICATION IS RECEIVED FROM THE  
13 DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES, THE APPLICATION IS  
14 CONSIDERED APPROVED AND THE CREDIT AWARDED IN THE AMOUNT AS  
15 DETERMINED BY THE DIRECTOR OF THE DEPARTMENT OF HISTORY, ARTS, AND  
16 LIBRARIES OR HIS OR HER DESIGNEE. IF THE PRESIDENT OF THE MICHIGAN  
17 STRATEGIC FUND OR HIS OR HER DESIGNEE APPROVES THE APPLICATION  
18 UNDER THIS SUBDIVISION, THE DIRECTOR OF THE DEPARTMENT OF HISTORY,  
19 ARTS, AND LIBRARIES OR HIS OR HER DESIGNEE SHALL ISSUE A  
20 PREAPPROVAL LETTER TO THE TAXPAYER THAT STATES THAT THE TAXPAYER IS  
21 A QUALIFIED TAXPAYER AND THE MAXIMUM PERCENTAGE OF THE QUALIFIED  
22 EXPENDITURES ON WHICH A CREDIT MAY BE CLAIMED FOR THE  
23 REHABILITATION PLAN WHEN IT IS COMPLETE AND A CERTIFICATION OF  
24 COMPLETED REHABILITATION IS ISSUED.

25 (20) THE DIRECTOR OF THE DEPARTMENT OF HISTORY, ARTS, AND  
26 LIBRARIES OR HIS OR HER DESIGNEE, SUBJECT TO THE APPROVAL OF THE  
27 PRESIDENT OF THE MICHIGAN STRATEGIC FUND AND THE STATE TREASURER,

1 MAY APPROVE 3 ADDITIONAL CREDITS DURING THE 2009 CALENDAR YEAR OF  
2 UP TO 15% OF THE QUALIFIED TAXPAYER'S QUALIFIED EXPENDITURES, AND 2  
3 ADDITIONAL CREDITS DURING THE 2010, 2011, 2012, AND 2013 CALENDAR  
4 YEARS OF UP TO 15% OF THE QUALIFIED TAXPAYER'S QUALIFIED  
5 EXPENDITURES, FOR CERTAIN REHABILITATION PLANS THAT THE DIRECTOR OF  
6 THE DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES OR HIS OR HER  
7 DESIGNEE DETERMINES IS A HIGH COMMUNITY IMPACT REHABILITATION PLAN  
8 THAT WILL HAVE A SIGNIFICANTLY GREATER HISTORIC, SOCIAL, AND  
9 ECONOMIC IMPACT THAN THOSE PLANS DESCRIBED UNDER SUBSECTION (19) (A)  
10 AND (B). TO BE ELIGIBLE FOR THE ADDITIONAL CREDIT UNDER THIS  
11 SUBSECTION, THE TAXPAYER SHALL APPLY TO AND RECEIVE A PREAPPROVAL  
12 LETTER FROM THE DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES. AN  
13 APPLICATION SHALL BE APPROVED OR DENIED NOT MORE THAN 15 BUSINESS  
14 DAYS AFTER THE DIRECTOR OF THE DEPARTMENT OF HISTORY, ARTS, AND  
15 LIBRARIES OR HIS OR HER DESIGNEE HAS REVIEWED THE APPLICATION,  
16 DETERMINED THE PERCENTAGE AMOUNT OF THE CREDIT FOR THAT APPLICANT,  
17 AND SUBMITTED THE SAME TO THE PRESIDENT OF THE MICHIGAN STRATEGIC  
18 FUND AND THE STATE TREASURER. IF THE PRESIDENT OF THE MICHIGAN  
19 STRATEGIC FUND AND THE STATE TREASURER DO NOT APPROVE OR DENY THE  
20 APPLICATION WITHIN 15 BUSINESS DAYS AFTER THE APPLICATION IS  
21 RECEIVED FROM THE DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES, THE  
22 APPLICATION IS CONSIDERED APPROVED AND THE CREDIT AWARDED IN THE  
23 AMOUNT AS DETERMINED BY THE DIRECTOR OF THE DEPARTMENT OF HISTORY,  
24 ARTS, AND LIBRARIES OR HIS OR HER DESIGNEE. IF THE PRESIDENT OF THE  
25 MICHIGAN STRATEGIC FUND AND THE STATE TREASURER APPROVE THE  
26 APPLICATION UNDER THIS SUBDIVISION, THE DIRECTOR OF THE DEPARTMENT  
27 OF HISTORY, ARTS, AND LIBRARIES OR HIS OR HER DESIGNEE SHALL ISSUE



1 A PREAPPROVAL LETTER TO THE TAXPAYER THAT STATES THAT THE TAXPAYER  
2 IS A QUALIFIED TAXPAYER AND THE MAXIMUM PERCENTAGE OF THE QUALIFIED  
3 EXPENDITURES ON WHICH A CREDIT MAY BE CLAIMED FOR THE HIGH  
4 COMMUNITY IMPACT REHABILITATION PLAN WHEN IT IS COMPLETE AND A  
5 CERTIFICATION OF COMPLETED REHABILITATION IS ISSUED. BEFORE  
6 APPROVING A CREDIT UNDER THIS SUBSECTION, THE DIRECTOR OF THE  
7 DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES OR HIS OR HER DESIGNEE  
8 SHALL CONSIDER ALL OF THE FOLLOWING CRITERIA TO THE EXTENT  
9 REASONABLY APPLICABLE:

10 (A) THE IMPORTANCE OF THE HISTORIC RESOURCE TO THE COMMUNITY  
11 IN WHICH IT IS LOCATED.

12 (B) IF THE REHABILITATION OF THE HISTORIC RESOURCE WILL ACT AS  
13 A CATALYST FOR ADDITIONAL REHABILITATION OR REVITALIZATION OF THE  
14 COMMUNITY IN WHICH IT IS LOCATED.

15 (C) THE POTENTIAL THAT THE REHABILITATION OF THE HISTORIC  
16 RESOURCE WILL HAVE FOR CREATING OR PRESERVING JOBS AND EMPLOYMENT  
17 IN THE COMMUNITY IN WHICH IT IS LOCATED.

18 (D) OTHER SOCIAL BENEFITS THE REHABILITATION OF THE HISTORIC  
19 RESOURCE WILL BRING TO THE COMMUNITY IN WHICH IT IS LOCATED.

20 (E) THE AMOUNT OF LOCAL COMMUNITY AND FINANCIAL SUPPORT FOR  
21 THE REHABILITATION OF THE HISTORIC RESOURCE.

22 (F) THE TAXPAYER'S FINANCIAL NEED OF THE ADDITIONAL CREDIT.

23 (G) WHETHER THE TAXPAYER IS ELIGIBLE FOR THE CREDIT ALLOWED  
24 UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE.

25 (H) ANY OTHER CRITERIA THAT THE DIRECTOR OF THE DEPARTMENT OF  
26 HISTORY, ARTS, AND LIBRARIES, THE PRESIDENT OF THE MICHIGAN  
27 STRATEGIC FUND, AND THE STATE TREASURER CONSIDER APPROPRIATE FOR

1 THE DETERMINATION OF APPROVAL UNDER THIS SUBSECTION.

2 (21) THE MAXIMUM AMOUNT OF CREDIT THAT A TAXPAYER OR AN  
3 ASSIGNEE MAY CLAIM UNDER SUBSECTION (20) DURING A TAX YEAR IS  
4 \$3,000,000.00. IF THE AMOUNT OF THE CREDIT APPROVED IN THE  
5 TAXPAYER'S CERTIFICATE OF COMPLETED RENOVATION IS GREATER THAN  
6 \$3,000,000.00 THAT PORTION THAT EXCEEDS THE CAP SHALL BE CARRIED  
7 FORWARD TO OFFSET TAX LIABILITY IN SUBSEQUENT TAX YEARS UNTIL USED  
8 UP.

9 (22) BEFORE APPROVING A CREDIT, DETERMINING THE AMOUNT OF SUCH  
10 CREDIT, AND ISSUING A PREAPPROVAL LETTER FOR SUCH CREDIT UNDER  
11 SUBSECTION (19) OR BEFORE CONSIDERING AN AMENDMENT TO THE  
12 PREAPPROVAL LETTER, THE DIRECTOR OF THE DEPARTMENT OF HISTORY,  
13 ARTS, AND LIBRARIES OR HIS OR HER DESIGNEE SHALL CONSIDER THE  
14 FOLLOWING CRITERIA TO THE EXTENT REASONABLY APPLICABLE:

15 (A) THE IMPORTANCE OF THE HISTORIC RESOURCE TO THE COMMUNITY.

16 (B) THE PHYSICAL CONDITION OF THE HISTORIC RESOURCE.

17 (C) THE TAXPAYER'S FINANCIAL NEED OF THE ADDITIONAL CREDIT.

18 (D) THE OVERALL ECONOMIC IMPACT THE RENOVATION WILL HAVE ON  
19 THE COMMUNITY.

20 (E) ANY OTHER CRITERIA THAT THE DIRECTOR OF THE DEPARTMENT OF  
21 HISTORY, ARTS, AND LIBRARIES AND THE PRESIDENT OF THE MICHIGAN  
22 STRATEGIC FUND, AS APPLICABLE, CONSIDER APPROPRIATE FOR THE  
23 DETERMINATION OF APPROVAL UNDER SUBSECTION (19).

24 (23) THE DIRECTOR OF THE DEPARTMENT OF HISTORY, ARTS, AND  
25 LIBRARIES OR HIS OR HER DESIGNEE MAY AT ANY TIME BEFORE A  
26 CERTIFICATION OF COMPLETED REHABILITATION IS ISSUED FOR A CREDIT  
27 FOR WHICH A PREAPPROVAL LETTER WAS ISSUED PURSUANT TO SUBSECTION

1 (19) DO THE FOLLOWING:

2 (A) SUBJECT TO THE LIMITATIONS AND PARAMETERS UNDER SUBSECTION  
3 (19), MAKE AMENDMENTS TO THE PREAPPROVAL LETTER, WHICH MAY INCLUDE  
4 REVISING THE AMOUNT OF QUALIFIED EXPENDITURES FOR WHICH THE  
5 TAXPAYER MAY CLAIM THE ADDITIONAL CREDIT UNDER SUBSECTION (19).

6 (B) REVOKE THE PREAPPROVAL LETTER IF HE OR SHE DETERMINES THAT  
7 THERE HAS NOT BEEN SUBSTANTIAL PROGRESS TOWARD COMPLETION OF THE  
8 REHABILITATION PLAN OR THAT THE REHABILITATION PLAN CANNOT BE  
9 COMPLETED. THE DIRECTOR OF THE DEPARTMENT OF HISTORY, ARTS, AND  
10 LIBRARIES OR HIS OR HER DESIGNEE SHALL PROVIDE THE QUALIFIED  
11 TAXPAYER WITH A NOTICE OF HIS OR HER INTENT TO REVOKE THE  
12 PREAPPROVAL LETTER 45 DAYS PRIOR TO THE PROPOSED DATE OF  
13 REVOCATION.

14 (24) IF A PREAPPROVAL LETTER IS REVOKED UNDER SUBSECTION  
15 (23) (B), THE AMOUNT OF THE CREDIT APPROVED UNDER THAT PREAPPROVAL  
16 LETTER SHALL BE ADDED TO THE ANNUAL CAP IN THE CALENDAR YEAR THAT  
17 THE PREAPPROVAL LETTER IS REVOKED. AFTER A CERTIFICATION OF  
18 COMPLETED REHABILITATION IS ISSUED FOR A REHABILITATION PLAN  
19 APPROVED UNDER SUBSECTION (19), IF THE DIRECTOR OF THE DEPARTMENT  
20 OF HISTORY, ARTS, AND LIBRARIES OR HIS OR HER DESIGNEE DETERMINES  
21 THAT THE ACTUAL AMOUNT OF THE ADDITIONAL CREDIT TO BE CLAIMED BY  
22 THE TAXPAYER FOR THE CALENDAR YEAR IS LESS THAN THE AMOUNT APPROVED  
23 UNDER THE PREAPPROVAL LETTER, THE DIFFERENCE SHALL BE ADDED TO THE  
24 ANNUAL CAP IN THE CALENDAR YEAR THAT THE CERTIFICATION OF COMPLETED  
25 REHABILITATION IS ISSUED.

26 (25) UNLESS OTHERWISE SPECIFICALLY PROVIDED UNDER SUBSECTIONS  
27 (19) THROUGH (24), ALL OTHER PROVISIONS UNDER THIS SECTION SUCH AS

1 THE RECAPTURE OF CREDITS, ASSIGNMENT OF CREDITS, AND REFUNDABILITY  
2 OF CREDITS IN EXCESS OF A QUALIFIED TAXPAYER'S TAX LIABILITY APPLY  
3 TO THE ADDITIONAL CREDITS ISSUED UNDER SUBSECTIONS (19) AND (20).

4 (26) IN ADDITION TO MEETING THE CRITERIA IN SUBSECTION (20) (A)  
5 THROUGH (H), 2 OF THE 3 CREDITS AVAILABLE UNDER SUBSECTION (20)  
6 DURING THE 2009 CALENDAR YEAR FOR A HIGH COMMUNITY IMPACT  
7 REHABILITATION PLAN SHALL BE FOR AN APPLICATION MEETING 1 OF THE  
8 FOLLOWING CRITERIA:

9 (A) ALL OF THE FOLLOWING:

10 (i) THE HISTORIC RESOURCE MUST BE AT LEAST 80 YEARS OLD.

11 (ii) THE HISTORIC RESOURCE MUST COMPRISE AT LEAST 75,000 TOTAL  
12 SQUARE FEET.

13 (iii) THE HISTORIC RESOURCE MUST BE LOCATED IN A COUNTY WITH A  
14 POPULATION OF MORE THAN 1,500,000.

15 (iv) THE HISTORIC RESOURCE MUST BE LOCATED IN A CITY WITH AN  
16 UNEMPLOYMENT RATE THAT IS AT LEAST 2% HIGHER THAN THE CURRENT STATE  
17 AVERAGE UNEMPLOYMENT RATE AT THE TIME OF THE APPLICATION.

18 (v) THE HISTORIC RESOURCE RECEIVES A FEDERAL EARMARK  
19 APPROPRIATION AND IS THE FORMER HOME OF A FORMER PROFESSIONAL  
20 SPORTS TEAM.

21 (B) ALL OF THE FOLLOWING:

22 (i) THE HISTORIC RESOURCE MUST BE AT LEAST 85 YEARS OLD.

23 (ii) THE HISTORIC RESOURCE MUST COMPRISE AT LEAST 120,000 TOTAL  
24 SQUARE FEET.

25 (iii) THE HISTORIC RESOURCE MUST BE LOCATED IN A COUNTY WITH A  
26 POPULATION OF MORE THAN 400,000 AND LESS THAN 500,000.

27 (iv) THE HISTORIC RESOURCE MUST BE LOCATED IN A CITY WITH A

1 POPULATION OF MORE THAN 100,000 AND LESS THAN 125,000.

2 (v) THE HISTORIC RESOURCE MUST BE LOCATED IN A CITY WITH AN  
3 UNEMPLOYMENT RATE THAT IS AT LEAST 2% HIGHER THAN THE CURRENT STATE  
4 AVERAGE UNEMPLOYMENT RATE AT THE TIME OF THE APPLICATION.

5 (27) ~~(16)~~—For purposes of this section, taxpayer includes a  
6 person subject to the tax imposed under chapter 2A or 2B.

7 (28) ~~(17)~~—As used in this section:

8 (a) "Contributing resource" means an historic resource that  
9 contributes to the significance of the historic district in which  
10 it is located.

11 (b) "Historic district" means an area, or group of areas not  
12 necessarily having contiguous boundaries, that contains 1 resource  
13 or a group of resources that are related by history, architecture,  
14 archaeology, engineering, or culture.

15 (c) "Historic resource" means a publicly or privately owned  
16 historic building, structure, site, object, feature, or open space  
17 located within an historic district designated by the national  
18 register of historic places, the state register of historic sites,  
19 or a local unit acting under the local historic districts act, 1970  
20 PA 169, MCL 399.201 to 399.215, or that is individually listed on  
21 the state register of historic sites or national register of  
22 historic places, and includes all of the following:

23 (i) An owner-occupied personal residence or a historic resource  
24 located within the property boundaries of that personal residence.

25 (ii) An income-producing commercial, industrial, or residential  
26 resource or an historic resource located within the property  
27 boundaries of that resource.

1           (iii) A resource owned by a governmental body, nonprofit  
2 organization, or tax-exempt entity that is used primarily by a  
3 taxpayer lessee in a trade or business unrelated to the  
4 governmental body, nonprofit organization, or tax-exempt entity and  
5 that is subject to tax under this act.

6           (iv) A resource that is occupied or utilized by a governmental  
7 body, nonprofit organization, or tax-exempt entity pursuant to a  
8 long-term lease or lease with option to buy agreement.

9           (v) Any other resource that could benefit from rehabilitation.

10           (d) "Last tax year" means the taxpayer's tax year under former  
11 1975 PA 228 that begins after December 31, 2006 and before January  
12 1, 2008.

13           (e) "Local unit" means a county, city, village, or township.

14           (f) "Long-term lease" means a lease term of at least 27.5  
15 years for a residential resource or at least 31.5 years for a  
16 nonresidential resource.

17           (g) "Michigan historical center" or "center" means the state  
18 historic preservation office of the Michigan historical center of  
19 the department of history, arts, and libraries or its successor  
20 agency.

21           **(H) "MICHIGAN STRATEGIC FUND" MEANS THE MICHIGAN STRATEGIC**  
22 **FUND CREATED UNDER THE MICHIGAN STRATEGIC FUND ACT, 1984 PA 270,**  
23 **MCL 125.2001 TO 125.2094.**

24           (I) ~~(h)~~—"Open space" means undeveloped land, a naturally  
25 landscaped area, or a formal or man-made landscaped area that  
26 provides a connective link or a buffer between other resources.

27           (J) ~~(i)~~—"Person" means an individual, partnership,

1 corporation, association, governmental entity, or other legal  
2 entity.

3 (K) "PREAPPROVAL LETTER" MEANS A LETTER ISSUED BY THE DIRECTOR  
4 OF THE DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES OR HIS OR HER  
5 DESIGNEE THAT INDICATES THE DATE THAT THE COMPLETE PART 2  
6 APPLICATION WAS RECEIVED AND THE AMOUNT OF THE CREDIT ALLOCATED TO  
7 THE PROJECT BASED ON THE ESTIMATED REHABILITATION COST INCLUDED IN  
8 THE APPLICATION.

9 (I) ~~(j)~~—"Qualified expenditures" means capital expenditures  
10 that qualify, OR WOULD QUALIFY EXCEPT THAT THE TAXPAYER ENTERED  
11 INTO AN AGREEMENT UNDER SUBSECTION (13), for a rehabilitation  
12 credit under section 47(a)(2) of the internal revenue code if the  
13 taxpayer is eligible for the credit under section 47(a)(2) of the  
14 internal revenue code or, if the taxpayer is not eligible for the  
15 credit under section 47(a)(2) of the internal revenue code, the  
16 qualified expenditures that would qualify under section 47(a)(2) of  
17 the internal revenue code except that the expenditures are made to  
18 an historic resource that is not eligible for the credit under  
19 section 47(a)(2) of the internal revenue code that were paid. ~~not~~  
20 ~~more than 5 years after the certification of the rehabilitation~~  
21 ~~plan that included those expenditures was approved by the center,~~  
22 ~~and that were paid after December 31, 1998 for the rehabilitation~~  
23 ~~of an historic resource.~~ Qualified expenditures do not include  
24 capital expenditures for nonhistoric additions to an historic  
25 resource except an addition that is required by state or federal  
26 regulations that relate to historic preservation, safety, or  
27 accessibility.

1           (M) ~~(k)~~—"Qualified taxpayer" means a person that ~~is an~~  
2 ~~assignee under subsection (7) or~~ either owns the resource to be  
3 rehabilitated or has a long-term lease agreement with the owner of  
4 the historic resource and that has qualified expenditures for the  
5 rehabilitation of the historic resource equal to or greater than  
6 10% of the state equalized valuation of the property. If the  
7 historic resource to be rehabilitated is a portion of an historic  
8 or nonhistoric resource, the state equalized valuation of only that  
9 portion of the property shall be used for purposes of this  
10 subdivision. If the assessor for the local tax collecting unit in  
11 which the historic resource is located determines the state  
12 equalized valuation of that portion, that assessor's determination  
13 shall be used for purposes of this subdivision. If the assessor  
14 does not determine that state equalized valuation of that portion,  
15 qualified expenditures, for purposes of this subdivision, shall be  
16 equal to or greater than 5% of the appraised value as determined by  
17 a certified appraiser. If the historic resource to be rehabilitated  
18 does not have a state equalized valuation, qualified expenditures  
19 for purposes of this subdivision shall be equal to or greater than  
20 5% of the appraised value of the resource as determined by a  
21 certified appraiser.

22           (N) ~~(l)~~—"Rehabilitation plan" means a plan for the  
23 rehabilitation of an historic resource that meets the federal  
24 secretary of the interior's standards for rehabilitation and  
25 guidelines for rehabilitation of historic buildings under 36 CFR  
26 part 67.

27           Enacting section 1. This amendatory act takes effect January



1 1, 2009.