

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 469

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.713) by adding sections 266a and 675.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 266A. (1) A QUALIFIED TAXPAYER WITH A CERTIFICATION
2 ISSUED PURSUANT TO SUBSECTION (3) AFTER SEPTEMBER 30, 2019 AND
3 BEFORE OCTOBER 1, 2025 MAY CREDIT AGAINST THE TAX IMPOSED BY THIS
4 PART THE AMOUNT DETERMINED PURSUANT TO SUBSECTION (2) FOR THE
5 QUALIFIED EXPENDITURES FOR THE REHABILITATION OF A HISTORIC
6 RESOURCE PURSUANT TO THE REHABILITATION PLAN IN THE YEAR IN WHICH
7 THE CERTIFICATION OF COMPLETED REHABILITATION OF THE HISTORIC
8 RESOURCE IS ISSUED. THE QUALIFIED TAXPAYER SHALL CLAIM A CREDIT
9 UNDER THIS SECTION WITHIN 5 YEARS AFTER THE CERTIFICATION IS ISSUED
10 PURSUANT TO SUBSECTION (3). IF THE CREDIT IS NOT CLAIMED WITHIN 5

1 YEARS AFTER THE CERTIFICATION IS ISSUED, THE CERTIFICATION IS NO
2 LONGER VALID AND THE QUALIFIED TAXPAYER IS NO LONGER ELIGIBLE TO
3 CLAIM A CREDIT UNDER THIS SECTION FOR THAT REHABILITATION PLAN.
4 ONLY THOSE EXPENDITURES THAT ARE PAID OR INCURRED DURING THE TIME
5 PERIODS PRESCRIBED FOR THE CREDIT UNDER SECTION 47(A) (2) OF THE
6 INTERNAL REVENUE CODE AND ANY RELATED TREASURY REGULATIONS SHALL BE
7 CONSIDERED QUALIFIED EXPENDITURES.

8 (2) SUBJECT TO THE LIMITATIONS UNDER THIS SECTION, THE CREDIT
9 ALLOWED UNDER THIS SECTION SHALL BE 25% OF THE QUALIFIED
10 EXPENDITURES THAT ARE ELIGIBLE, OR WOULD HAVE BEEN ELIGIBLE EXCEPT
11 THAT THE TAXPAYER ELECTED TO TRANSFER THE CREDIT UNDER SUBSECTION
12 (10), FOR THE CREDIT UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE
13 CODE IF THE TAXPAYER IS ELIGIBLE FOR THE CREDIT UNDER SECTION
14 47(A) (2) OF THE INTERNAL REVENUE CODE OR, IF THE TAXPAYER IS NOT
15 ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A) (2) OF THE INTERNAL
16 REVENUE CODE, 25% OF THE QUALIFIED EXPENDITURES THAT WOULD QUALIFY
17 UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE EXCEPT THAT THE
18 EXPENDITURES ARE MADE TO A HISTORIC RESOURCE THAT IS NOT ELIGIBLE
19 FOR THE CREDIT UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE,
20 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 ELECTED TO TRANSFER THE
27 CREDIT UNDER SUBSECTION (10).

1 (B) A CREDIT UNDER THIS SECTION SHALL BE REDUCED BY THE AMOUNT
2 OF A CREDIT RECEIVED BY THE TAXPAYER FOR THE SAME QUALIFIED
3 EXPENDITURES UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE.

4 (3) TO BE ELIGIBLE FOR THE CREDIT UNDER THIS SECTION, THE
5 TAXPAYER SHALL APPLY TO AND RECEIVE CERTIFICATION FROM THE MICHIGAN
6 STATE HOUSING DEVELOPMENT AUTHORITY THAT THE HISTORIC SIGNIFICANCE,
7 THE REHABILITATION PLAN, AND THE COMPLETED REHABILITATION OF THE
8 HISTORIC RESOURCE MEET THE CRITERIA UNDER SUBSECTION (6) AND EITHER
9 OF THE FOLLOWING:

10 (A) ALL OF THE FOLLOWING CRITERIA:

11 (i) THE HISTORIC RESOURCE CONTRIBUTES TO THE SIGNIFICANCE OF
12 THE HISTORIC DISTRICT IN WHICH IT IS LOCATED.

13 (ii) BOTH THE REHABILITATION PLAN AND COMPLETED REHABILITATION
14 OF THE HISTORIC RESOURCE MEET THE FEDERAL SECRETARY OF THE
15 INTERIOR'S STANDARDS FOR REHABILITATION AND GUIDELINES FOR
16 REHABILITATING HISTORIC BUILDINGS, 36 CFR PART 67.

17 (iii) ALL REHABILITATION WORK HAS BEEN DONE TO OR WITHIN THE
18 WALLS, BOUNDARIES, OR STRUCTURES OF THE HISTORIC RESOURCE OR TO
19 HISTORIC RESOURCES LOCATED WITHIN THE PROPERTY BOUNDARIES OF THE
20 RESOURCE.

21 (B) THE TAXPAYER HAS RECEIVED CERTIFICATION FROM THE NATIONAL
22 PARK SERVICE THAT THE HISTORIC RESOURCE'S SIGNIFICANCE, THE
23 REHABILITATION PLAN, AND THE COMPLETED REHABILITATION QUALIFY FOR
24 THE CREDIT ALLOWED UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE
25 CODE.

26 (4) IF A QUALIFIED TAXPAYER IS ELIGIBLE FOR THE CREDIT ALLOWED
27 UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, THE QUALIFIED

1 TAXPAYER SHALL FILE FOR CERTIFICATION WITH THE AUTHORITY TO QUALIFY
2 FOR THE CREDIT ALLOWED UNDER SECTION 47(A) (2) OF THE INTERNAL
3 REVENUE CODE. IF THE QUALIFIED TAXPAYER HAS PREVIOUSLY FILED FOR
4 CERTIFICATION WITH THE AUTHORITY TO QUALIFY FOR THE CREDIT ALLOWED
5 UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE, ADDITIONAL
6 FILING FOR THE CREDIT ALLOWED UNDER THIS SECTION IS NOT REQUIRED.

7 (5) THE AUTHORITY MAY INSPECT A HISTORIC RESOURCE AT ANY TIME
8 DURING THE REHABILITATION PROCESS AND MAY REVOKE CERTIFICATION OF
9 COMPLETED REHABILITATION IF THE REHABILITATION WAS NOT UNDERTAKEN
10 AS REPRESENTED IN THE REHABILITATION PLAN OR IF UNAPPROVED
11 ALTERATIONS TO THE COMPLETED REHABILITATION ARE MADE DURING THE 5
12 YEARS AFTER THE TAX YEAR IN WHICH THE CREDIT WAS CLAIMED. THE
13 AUTHORITY SHALL PROMPTLY NOTIFY THE DEPARTMENT OF A REVOCATION.

14 (6) QUALIFIED EXPENDITURES FOR THE REHABILITATION OF A
15 HISTORIC RESOURCE MAY BE USED TO CALCULATE THE CREDIT UNDER THIS
16 SECTION IF THE HISTORIC RESOURCE IS LISTED ON THE NATIONAL REGISTER
17 OF HISTORIC PLACES OR MEETS 1 OF THE CRITERIA LISTED IN SUBDIVISION
18 (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 A 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 A 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) A CREDIT AMOUNT ASSIGNED TO A PARTNERSHIP, LIMITED
25 LIABILITY COMPANY, OR SUBCHAPTER S CORPORATION UNDER SECTION 675
26 MAY NOT BE SUBSEQUENTLY ASSIGNED BUT MAY BE CLAIMED AGAINST THE
27 PARTNER'S, MEMBER'S, OR SHAREHOLDER'S TAX LIABILITY UNDER THIS PART

1 BASED ON THE PARTNER'S, MEMBER'S, OR SHAREHOLDER'S PROPORTIONATE
2 SHARE OF OWNERSHIP. HOWEVER, IF A PARTNERSHIP, LIMITED LIABILITY
3 COMPANY, OR SUBCHAPTER S CORPORATION IS NOT AN ASSIGNEE OF A CREDIT
4 UNDER SECTION 675 BUT IS THE OWNER OF A HISTORIC RESOURCE WITH
5 QUALIFIED EXPENDITURES FOR WHICH A CREDIT MAY BE CLAIMED UNDER THIS
6 SECTION, THEN THAT PARTNERSHIP, LIMITED LIABILITY COMPANY, OR
7 SUBCHAPTER S CORPORATION MAY ASSIGN ALL OR ANY PORTION OF THE
8 CREDIT ALLOWED UNDER THIS SECTION. A CREDIT ASSIGNMENT UNDER THIS
9 SUBSECTION IS IRREVOCABLE AND SHALL BE MADE IN THE TAX YEAR IN
10 WHICH A CERTIFICATE OF COMPLETED REHABILITATION IS ISSUED. A
11 PARTNERSHIP, LIMITED LIABILITY COMPANY, OR SUBCHAPTER S CORPORATION
12 MAY CLAIM A PORTION OF A CREDIT AND ASSIGN THE REMAINING AMOUNT. IF
13 THE PARTNERSHIP, LIMITED LIABILITY COMPANY, OR SUBCHAPTER S
14 CORPORATION BOTH CLAIMS AND ASSIGNS PORTIONS OF THE CREDIT, THE
15 PARTNERSHIP, LIMITED LIABILITY COMPANY, OR SUBCHAPTER S CORPORATION
16 SHALL CLAIM THE PORTION IT CLAIMS THROUGH ITS PARTNERS, MEMBERS, OR
17 SHAREHOLDERS, BASED ON THE PARTNER'S, MEMBER'S, OR SHAREHOLDER'S
18 PROPORTIONATE SHARE OF OWNERSHIP, IN THE TAX YEAR IN WHICH A
19 CERTIFICATE OF COMPLETED REHABILITATION IS ISSUED PURSUANT TO THIS
20 SECTION. A CREDIT ASSIGNMENT UNDER THIS SECTION SHALL BE MADE ON A
21 FORM PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT OR ITS DESIGNEE
22 SHALL REVIEW AND ISSUE A COMPLETED ASSIGNMENT CERTIFICATE TO THE
23 ASSIGNEE. A CREDIT AMOUNT ASSIGNED UNDER THIS SUBSECTION MAY BE
24 CLAIMED AGAINST THE ASSIGNEE'S TAX UNDER THIS ACT. AN ASSIGNEE
25 SHALL ATTACH A COPY OF THE COMPLETED ASSIGNMENT CERTIFICATE TO THE
26 ANNUAL RETURN REQUIRED TO BE FILED UNDER THIS ACT, FOR THE TAX YEAR
27 IN WHICH THE ASSIGNMENT IS MADE AND THE ASSIGNEE FIRST CLAIMS THE

1 CREDIT, WHICH SHALL BE THE SAME TAX YEAR.

2 (8) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR
3 AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS SECTION
4 EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION
5 THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT BE
6 REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY IN
7 SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP, WHICHEVER
8 OCCURS FIRST.

9 (9) IF A CERTIFICATE OF COMPLETED REHABILITATION IS REVOKED
10 UNDER SUBSECTION (5) OR IF THE HISTORIC RESOURCE IS SOLD OR
11 DISPOSED OF LESS THAN 5 YEARS AFTER BEING PLACED IN SERVICE AS
12 DEFINED IN SECTION 47(B)(1) OF THE INTERNAL REVENUE CODE AND
13 RELATED TREASURY REGULATIONS, THE FOLLOWING PERCENTAGE OF THE
14 CREDIT AMOUNT PREVIOUSLY CLAIMED RELATIVE TO THAT HISTORIC RESOURCE
15 SHALL BE ADDED BACK TO THE TAX LIABILITY OF THE QUALIFIED TAXPAYER
16 THAT RECEIVED THE CERTIFICATE OF COMPLETED REHABILITATION AND NOT
17 THE 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 ADDBACK TO THE QUALIFIED
3 TAXPAYER TAX LIABILITY IS NOT REQUIRED.

4 (10) A QUALIFIED TAXPAYER MAY ELECT TO FORGO CLAIMING THE
5 CREDIT AND TRANSFER THE CREDIT ALONG WITH THE OWNERSHIP OF THE
6 PROPERTY FOR WHICH THE CREDIT MAY BE CLAIMED TO A NEW OWNER. THE
7 NEW OWNER SHALL BE TREATED AS THE QUALIFIED TAXPAYER HAVING
8 INCURRED THE REHABILITATION COSTS AND SHALL BE SUBJECT TO THE
9 RECAPTURE PROVISIONS UNDER SUBSECTION (9) IF THE NEW OWNER SELLS OR
10 DISPOSES OF THE PROPERTY WITHIN 5 YEARS AFTER THE NEW OWNER
11 ACQUIRED THE PROPERTY. FOR PURPOSES OF THIS SUBSECTION AND
12 SUBSECTION (9), THE PLACED IN SERVICE DATE FOR A NEW OWNER IS THE
13 DATE THE NEW OWNER ACQUIRED THE PROPERTY FOR WHICH THE CREDIT IS
14 CLAIMED.

15 (11) THE AUTHORITY MAY IMPOSE A FEE TO COVER THE
16 ADMINISTRATIVE COST OF IMPLEMENTING THE PROGRAM UNDER THIS SECTION.

17 (12) THE QUALIFIED TAXPAYER SHALL ATTACH ALL OF THE FOLLOWING
18 TO THE QUALIFIED TAXPAYER'S ANNUAL RETURN UNDER THIS PART:

19 (A) CERTIFICATION OF COMPLETED REHABILITATION.

20 (B) CERTIFICATION OF HISTORIC SIGNIFICANCE RELATED TO THE
21 HISTORIC RESOURCE AND THE QUALIFIED EXPENDITURES USED TO CLAIM A
22 CREDIT UNDER THIS SECTION.

23 (C) A COMPLETED ASSIGNMENT FORM IF THE QUALIFIED TAXPAYER IS
24 AN ASSIGNEE UNDER THIS SECTION OR SECTION 675 OF ANY PORTION OF A
25 CREDIT ALLOWED UNDER THAT SECTION.

26 (13) THE AUTHORITY MAY PROMULGATE RULES TO IMPLEMENT THIS
27 SECTION PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969

1 PA 306, MCL 24.201 TO 24.328.

2 (14) THE TOTAL OF THE CREDITS CLAIMED UNDER THIS SECTION AND
3 SECTION 675 FOR A REHABILITATION PROJECT SHALL NOT EXCEED 25% OF
4 THE TOTAL QUALIFIED EXPENDITURES ELIGIBLE FOR THE CREDIT UNDER THIS
5 SECTION FOR THAT REHABILITATION PROJECT.

6 (15) THE CREDITS ALLOWED UNDER THIS SECTION AND SECTION 675
7 SHALL NOT EXCEED \$15,000,000.00 PER YEAR AS AGREED TO AND CERTIFIED
8 BY THE MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY AND NOT LESS
9 THAN \$2,000,000.00 OF THE \$15,000,000.00 EACH YEAR SHALL BE
10 UTILIZED FOR A RESIDENTIAL RESOURCE.

11 (16) THE AUTHORITY SHALL REPORT ALL OF THE FOLLOWING TO THE
12 LEGISLATURE ANNUALLY FOR THE IMMEDIATELY PRECEDING STATE FISCAL
13 YEAR:

14 (A) THE FEE SCHEDULE USED BY THE CENTER AND THE TOTAL AMOUNT
15 OF FEES COLLECTED.

16 (B) A DESCRIPTION OF EACH REHABILITATION PROJECT CERTIFIED.

17 (C) THE LOCATION OF EACH NEW AND ONGOING REHABILITATION
18 PROJECT.

19 (17) AS USED IN THIS SECTION:

20 (A) "CONTRIBUTING RESOURCE" MEANS A HISTORIC RESOURCE THAT
21 CONTRIBUTES TO THE SIGNIFICANCE OF THE HISTORIC DISTRICT IN WHICH
22 IT IS LOCATED.

23 (B) "HISTORIC DISTRICT" MEANS AN AREA, OR GROUP OF AREAS NOT
24 NECESSARILY HAVING CONTIGUOUS BOUNDARIES, THAT CONTAINS 1 RESOURCE
25 OR A GROUP OF RESOURCES THAT ARE RELATED BY HISTORY, ARCHITECTURE,
26 ARCHAEOLOGY, ENGINEERING, OR CULTURE.

27 (C) "HISTORIC RESOURCE" MEANS A PUBLICLY OR PRIVATELY OWNED

1 HISTORIC BUILDING, STRUCTURE, SITE, OBJECT, FEATURE, OR OPEN SPACE
2 LOCATED WITHIN A HISTORIC DISTRICT DESIGNATED BY THE NATIONAL
3 REGISTER OF HISTORIC PLACES, THE STATE REGISTER OF HISTORIC SITES,
4 OR A LOCAL UNIT ACTING UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970
5 PA 169, MCL 399.201 TO 399.215; OR THAT IS INDIVIDUALLY LISTED ON
6 THE STATE REGISTER OF HISTORIC SITES OR NATIONAL REGISTER OF
7 HISTORIC PLACES.

8 (D) "LOCAL UNIT" MEANS A COUNTY, CITY, VILLAGE, OR TOWNSHIP.

9 (E) "LONG-TERM LEASE" MEANS A LEASE TERM OF AT LEAST 27.5
10 YEARS FOR A RESIDENTIAL RESOURCE OR AT LEAST 31.5 YEARS FOR A
11 NONRESIDENTIAL RESOURCE.

12 (F) "MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY" OR
13 "AUTHORITY" MEANS THE PUBLIC BODY CORPORATE AND POLITIC CREATED BY
14 SECTION 21 OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966,
15 1966 PA 346, MCL 125.1421.

16 (G) "OPEN SPACE" MEANS UNDEVELOPED LAND, A NATURALLY
17 LANDSCAPED AREA, OR A FORMAL OR MAN-MADE LANDSCAPED AREA THAT
18 PROVIDES A CONNECTIVE LINK OR A BUFFER BETWEEN OTHER RESOURCES.

19 (H) "QUALIFIED EXPENDITURES" MEANS CAPITAL EXPENDITURES THAT
20 QUALIFY, OR WOULD QUALIFY EXCEPT THAT THE TAXPAYER ELECTED TO
21 TRANSFER THE CREDIT UNDER SUBSECTION (10), FOR A REHABILITATION
22 CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE IF THE
23 TAXPAYER IS ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE
24 INTERNAL REVENUE CODE OR, IF THE TAXPAYER IS NOT ELIGIBLE FOR THE
25 CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, THE
26 QUALIFIED EXPENDITURES THAT WOULD QUALIFY UNDER SECTION 47(A)(2) OF
27 THE INTERNAL REVENUE CODE EXCEPT THAT THE EXPENDITURES ARE MADE TO

1 A HISTORIC RESOURCE THAT IS NOT ELIGIBLE FOR THE CREDIT UNDER
2 SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE, THAT WERE PAID.
3 QUALIFIED EXPENDITURES DO NOT INCLUDE CAPITAL EXPENDITURES FOR
4 NONHISTORIC ADDITIONS TO A HISTORIC RESOURCE EXCEPT AN ADDITION
5 THAT IS REQUIRED BY STATE OR FEDERAL REGULATIONS THAT RELATE TO
6 HISTORIC PRESERVATION, SAFETY, OR ACCESSIBILITY.

7 (I) "QUALIFIED TAXPAYER" MEANS A PERSON THAT IS AN ASSIGNEE
8 UNDER SECTION 675 OR EITHER OWNS THE RESOURCE TO BE REHABILITATED
9 OR HAS A LONG-TERM LEASE AGREEMENT WITH THE OWNER OF THE HISTORIC
10 RESOURCE AND THAT HAS QUALIFIED EXPENDITURES FOR THE REHABILITATION
11 OF THE HISTORIC RESOURCE EQUAL TO OR GREATER THAN 10% OF THE STATE
12 EQUALIZED VALUATION OF THE PROPERTY. IF THE ASSIGNEE OR OWNER OF
13 THE HISTORIC RESOURCE IS A PARTNERSHIP, LIMITED LIABILITY COMPANY,
14 OR SUBCHAPTER S CORPORATION, THEN EACH OF ITS PARTNERS, MEMBERS, OR
15 SHAREHOLDERS IS A QUALIFIED TAXPAYER AND MAY CLAIM THE CREDIT
16 ALLOWED UNDER THIS SECTION BASED ON THE PARTNER'S, MEMBER'S, OR
17 SHAREHOLDER'S PROPORTIONATE SHARE OF OWNERSHIP. IF THE HISTORIC
18 RESOURCE TO BE REHABILITATED IS A PORTION OF A HISTORIC OR
19 NONHISTORIC RESOURCE, THE STATE EQUALIZED VALUATION OF ONLY THAT
20 PORTION OF THE PROPERTY SHALL BE USED FOR PURPOSES OF THIS
21 SUBDIVISION. IF THE ASSESSOR FOR THE LOCAL TAX COLLECTING UNIT IN
22 WHICH THE HISTORIC RESOURCE IS LOCATED DETERMINES THE STATE
23 EQUALIZED VALUATION OF THAT PORTION, THAT ASSESSOR'S DETERMINATION
24 SHALL BE USED FOR PURPOSES OF THIS SUBDIVISION. IF THE ASSESSOR
25 DOES NOT DETERMINE THAT STATE EQUALIZED VALUATION OF THAT PORTION,
26 QUALIFIED EXPENDITURES, FOR PURPOSES OF THIS SUBDIVISION, SHALL BE
27 EQUAL TO OR GREATER THAN 5% OF THE APPRAISED VALUE AS DETERMINED BY

1 A CERTIFIED APPRAISER. IF THE HISTORIC RESOURCE TO BE REHABILITATED
2 DOES NOT HAVE A STATE EQUALIZED VALUATION, QUALIFIED EXPENDITURES
3 FOR PURPOSES OF THIS SUBDIVISION SHALL BE EQUAL TO OR GREATER THAN
4 5% OF THE APPRAISED VALUE OF THE RESOURCE AS DETERMINED BY A
5 CERTIFIED APPRAISER.

6 (J) "REHABILITATION PLAN" MEANS A PLAN FOR THE REHABILITATION
7 OF A HISTORIC RESOURCE THAT MEETS THE FEDERAL SECRETARY OF THE
8 INTERIOR'S STANDARDS FOR REHABILITATION AND GUIDELINES FOR
9 REHABILITATION OF HISTORIC BUILDINGS UNDER 36 CFR PART 67.

10 SEC. 675. (1) A QUALIFIED TAXPAYER WITH A CERTIFICATION ISSUED
11 PURSUANT TO SUBSECTION (3) AFTER SEPTEMBER 30, 2019 AND BEFORE
12 OCTOBER 1, 2025 MAY CREDIT AGAINST THE TAX IMPOSED BY THIS PART THE
13 AMOUNT DETERMINED PURSUANT TO SUBSECTION (2) FOR THE QUALIFIED
14 EXPENDITURES FOR THE REHABILITATION OF A HISTORIC RESOURCE PURSUANT
15 TO THE REHABILITATION PLAN IN THE YEAR IN WHICH THE CERTIFICATION
16 OF COMPLETED REHABILITATION OF THE HISTORIC RESOURCE IS ISSUED. THE
17 QUALIFIED TAXPAYER SHALL CLAIM A CREDIT UNDER THIS SECTION WITHIN 5
18 YEARS AFTER THE CERTIFICATION IS ISSUED PURSUANT TO SUBSECTION (3).
19 IF THE CREDIT IS NOT CLAIMED WITHIN 5 YEARS AFTER THE CERTIFICATION
20 IS ISSUED, THE CERTIFICATION IS NO LONGER VALID AND THE QUALIFIED
21 TAXPAYER IS NO LONGER ELIGIBLE TO CLAIM A CREDIT UNDER THIS SECTION
22 FOR THAT REHABILITATION PLAN. ONLY THOSE EXPENDITURES THAT ARE PAID
23 OR INCURRED DURING THE TIME PERIODS PRESCRIBED FOR THE CREDIT UNDER
24 SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE AND ANY RELATED
25 TREASURY REGULATIONS SHALL BE CONSIDERED QUALIFIED EXPENDITURES.

26 (2) SUBJECT TO THE LIMITATIONS UNDER THIS SECTION, THE CREDIT
27 ALLOWED UNDER THIS SUBSECTION SHALL BE 25% OF THE QUALIFIED

1 EXPENDITURES THAT ARE ELIGIBLE, OR WOULD HAVE BEEN ELIGIBLE EXCEPT
2 THAT THE TAXPAYER ENTERED INTO AN AGREEMENT UNDER SUBSECTION (10),
3 FOR THE CREDIT UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE
4 IF THE TAXPAYER IS ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A) (2)
5 OF THE INTERNAL REVENUE CODE OR, IF THE TAXPAYER IS NOT ELIGIBLE
6 FOR THE CREDIT UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE,
7 25% OF THE QUALIFIED EXPENDITURES THAT WOULD QUALIFY UNDER SECTION
8 47(A) (2) OF THE INTERNAL REVENUE CODE EXCEPT THAT THE EXPENDITURES
9 ARE MADE TO A HISTORIC RESOURCE THAT IS NOT ELIGIBLE FOR THE CREDIT
10 UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE, SUBJECT TO
11 BOTH OF THE FOLLOWING:

12 (A) A TAXPAYER WITH QUALIFIED EXPENDITURES THAT ARE ELIGIBLE
13 FOR THE CREDIT UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE
14 MAY NOT CLAIM A CREDIT UNDER THIS SECTION FOR THOSE QUALIFIED
15 EXPENDITURES UNLESS THE TAXPAYER HAS CLAIMED AND RECEIVED A CREDIT
16 FOR THOSE QUALIFIED EXPENDITURES UNDER SECTION 47(A) (2) OF THE
17 INTERNAL REVENUE CODE OR THE TAXPAYER HAS ENTERED INTO AN AGREEMENT
18 UNDER SUBSECTION (10).

19 (B) A CREDIT UNDER THIS SUBSECTION SHALL BE REDUCED BY THE
20 AMOUNT OF A CREDIT RECEIVED BY THE TAXPAYER FOR THE SAME QUALIFIED
21 EXPENDITURES UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE.

22 (3) TO BE ELIGIBLE FOR THE CREDIT UNDER SUBSECTION (2), THE
23 TAXPAYER SHALL APPLY TO AND RECEIVE CERTIFICATION FROM THE MICHIGAN
24 STATE HOUSING DEVELOPMENT AUTHORITY THAT THE HISTORIC SIGNIFICANCE,
25 THE REHABILITATION PLAN, AND THE COMPLETED REHABILITATION OF THE
26 HISTORIC RESOURCE MEET THE CRITERIA UNDER SUBSECTION (6) AND EITHER
27 OF THE FOLLOWING:

1 (A) ALL OF THE FOLLOWING CRITERIA:

2 (i) THE HISTORIC RESOURCE CONTRIBUTES TO THE SIGNIFICANCE OF
3 THE HISTORIC DISTRICT IN WHICH IT IS LOCATED.

4 (ii) BOTH THE REHABILITATION PLAN AND COMPLETED REHABILITATION
5 OF THE HISTORIC RESOURCE MEET THE FEDERAL SECRETARY OF THE
6 INTERIOR'S STANDARDS FOR REHABILITATION AND GUIDELINES FOR
7 REHABILITATING HISTORIC BUILDINGS, 36 CFR PART 67.

8 (iii) ALL REHABILITATION WORK HAS BEEN DONE TO OR WITHIN THE
9 WALLS, BOUNDARIES, OR STRUCTURES OF THE HISTORIC RESOURCE OR TO
10 HISTORIC RESOURCES LOCATED WITHIN THE PROPERTY BOUNDARIES OF THE
11 PROPERTY.

12 (B) THE TAXPAYER HAS RECEIVED CERTIFICATION FROM THE NATIONAL
13 PARK SERVICE THAT THE HISTORIC RESOURCE'S SIGNIFICANCE, THE
14 REHABILITATION PLAN, AND THE COMPLETED REHABILITATION QUALIFY FOR
15 THE CREDIT ALLOWED UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE
16 CODE.

17 (4) IF A QUALIFIED TAXPAYER IS ELIGIBLE FOR THE CREDIT ALLOWED
18 UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, THE QUALIFIED
19 TAXPAYER SHALL FILE FOR CERTIFICATION WITH THE AUTHORITY TO QUALIFY
20 FOR THE CREDIT ALLOWED UNDER SECTION 47(A)(2) OF THE INTERNAL
21 REVENUE CODE. IF THE QUALIFIED TAXPAYER HAS PREVIOUSLY FILED FOR
22 CERTIFICATION WITH THE AUTHORITY TO QUALIFY FOR THE CREDIT ALLOWED
23 UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, ADDITIONAL
24 FILING FOR THE CREDIT ALLOWED UNDER THIS SECTION IS NOT REQUIRED.

25 (5) THE AUTHORITY MAY INSPECT A HISTORIC RESOURCE AT ANY TIME
26 DURING THE REHABILITATION PROCESS AND MAY REVOKE CERTIFICATION OF
27 COMPLETED REHABILITATION IF THE REHABILITATION WAS NOT UNDERTAKEN

1 AS REPRESENTED IN THE REHABILITATION PLAN OR IF UNAPPROVED
2 ALTERATIONS TO THE COMPLETED REHABILITATION ARE MADE DURING THE 5
3 YEARS AFTER THE TAX YEAR IN WHICH THE CREDIT WAS CLAIMED. THE
4 AUTHORITY SHALL PROMPTLY NOTIFY THE DEPARTMENT OF A REVOCATION.

5 (6) QUALIFIED EXPENDITURES FOR THE REHABILITATION OF A
6 HISTORIC RESOURCE MAY BE USED TO CALCULATE THE CREDIT UNDER THIS
7 SECTION IF THE HISTORIC RESOURCE IS LISTED ON THE NATIONAL REGISTER
8 OF HISTORIC PLACES OR MEETS 1 OF THE CRITERIA LISTED IN SUBDIVISION
9 (A) AND 1 OF THE CRITERIA LISTED IN SUBDIVISION (B):

10 (A) THE RESOURCE IS 1 OF THE FOLLOWING DURING THE TAX YEAR IN
11 WHICH A CREDIT UNDER THIS SECTION IS CLAIMED FOR THOSE QUALIFIED
12 EXPENDITURES:

13 (i) INDIVIDUALLY LISTED ON THE NATIONAL REGISTER OF HISTORIC
14 PLACES OR STATE REGISTER OF HISTORIC SITES.

15 (ii) A CONTRIBUTING RESOURCE LOCATED WITHIN A HISTORIC
16 DISTRICT LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES OR THE
17 STATE REGISTER OF HISTORIC SITES.

18 (iii) A CONTRIBUTING RESOURCE LOCATED WITHIN A HISTORIC
19 DISTRICT DESIGNATED BY A LOCAL UNIT PURSUANT TO AN ORDINANCE
20 ADOPTED UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL
21 399.201 TO 399.215.

22 (B) THE RESOURCE MEETS 1 OF THE FOLLOWING CRITERIA DURING THE
23 TAX YEAR IN WHICH A CREDIT UNDER THIS SECTION IS CLAIMED FOR THOSE
24 QUALIFIED EXPENDITURES:

25 (i) THE HISTORIC RESOURCE IS LOCATED IN A DESIGNATED HISTORIC
26 DISTRICT IN A LOCAL UNIT OF GOVERNMENT WITH AN EXISTING ORDINANCE
27 UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO

1 399.215.

2 (ii) THE HISTORIC RESOURCE IS LOCATED IN AN INCORPORATED LOCAL
3 UNIT OF GOVERNMENT THAT DOES NOT HAVE AN ORDINANCE UNDER THE LOCAL
4 HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO 399.215, AND
5 HAS A POPULATION OF LESS THAN 5,000.

6 (iii) THE HISTORIC RESOURCE IS LOCATED IN AN UNINCORPORATED
7 LOCAL UNIT OF GOVERNMENT.

8 (iv) THE HISTORIC RESOURCE IS LOCATED IN AN INCORPORATED LOCAL
9 UNIT OF GOVERNMENT THAT DOES NOT HAVE AN ORDINANCE UNDER THE LOCAL
10 HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO 399.215, AND IS
11 LOCATED WITHIN THE BOUNDARIES OF AN ASSOCIATION THAT HAS BEEN
12 CHARTERED UNDER 1889 PA 39, MCL 455.51 TO 455.72.

13 (v) THE HISTORIC RESOURCE IS SUBJECT TO A HISTORIC
14 PRESERVATION EASEMENT.

15 (7) A QUALIFIED TAXPAYER MAY ASSIGN ALL OR ANY PORTION OF THE
16 CREDIT ALLOWED UNDER THIS SECTION. A CREDIT ASSIGNMENT UNDER THIS
17 SUBSECTION IS IRREVOCABLE AND SHALL BE MADE IN THE TAX YEAR IN
18 WHICH A CERTIFICATE OF COMPLETED REHABILITATION IS ISSUED. A
19 QUALIFIED TAXPAYER MAY CLAIM A PORTION OF A CREDIT AND ASSIGN THE
20 REMAINING AMOUNT. IF THE QUALIFIED TAXPAYER BOTH CLAIMS AND ASSIGNS
21 PORTIONS OF THE CREDIT, THE QUALIFIED TAXPAYER SHALL CLAIM THE
22 PORTION IT CLAIMS IN THE TAX YEAR IN WHICH A CERTIFICATE OF
23 COMPLETED REHABILITATION IS ISSUED PURSUANT TO THIS SECTION. EXCEPT
24 AS OTHERWISE PROVIDED UNDER THIS SUBSECTION, AN ASSIGNEE MAY
25 SUBSEQUENTLY ASSIGN THE CREDIT OR ANY PORTION OF THE CREDIT
26 ASSIGNED UNDER THIS SUBSECTION TO 1 OR MORE ASSIGNEES. AN
27 ASSIGNMENT OR SUBSEQUENT REASSIGNMENT OF A CREDIT CAN BE MADE IN

1 THE YEAR THE CERTIFICATE OF COMPLETED REHABILITATION IS ISSUED. A
2 CREDIT ASSIGNMENT OR SUBSEQUENT REASSIGNMENT UNDER THIS SECTION
3 SHALL BE MADE ON A FORM PRESCRIBED BY THE DEPARTMENT. THE
4 DEPARTMENT OR ITS DESIGNEE SHALL REVIEW AND ISSUE A COMPLETED
5 ASSIGNMENT OR REASSIGNMENT CERTIFICATE TO THE ASSIGNEE OR
6 REASSIGNEE. IF THE QUALIFIED TAXPAYER ASSIGNS ALL OR ANY PORTION OF
7 THE CREDIT ALLOWED UNDER THIS SECTION TO A PARTNERSHIP, LIMITED
8 LIABILITY COMPANY, OR SUBCHAPTER S CORPORATION, THEN THE ASSIGNEES
9 ARE ITS PARTNERS, MEMBERS, OR SHAREHOLDERS BASED ON THE PARTNER'S,
10 MEMBER'S, OR SHAREHOLDER'S PROPORTIONATE SHARE OF OWNERSHIP. A
11 PARTNER, MEMBER, OR SHAREHOLDER THAT IS AN ASSIGNEE SHALL NOT
12 SUBSEQUENTLY ASSIGN A CREDIT OR ANY PORTION OF A CREDIT ASSIGNED TO
13 THE PARTNER, MEMBER, OR SHAREHOLDER UNDER THIS SUBSECTION. A CREDIT
14 AMOUNT ASSIGNED UNDER THIS SUBSECTION MAY BE CLAIMED AGAINST THE
15 ASSIGNEE'S TAX UNDER THIS PART OR PART 1. AN ASSIGNEE OR SUBSEQUENT
16 REASSIGNEE SHALL ATTACH A COPY OF THE COMPLETED ASSIGNMENT
17 CERTIFICATE TO THE ANNUAL RETURN REQUIRED TO BE FILED UNDER THIS
18 PART FOR THE TAX YEAR IN WHICH THE ASSIGNMENT OR REASSIGNMENT IS
19 MADE AND THE ASSIGNEE OR REASSIGNEE FIRST CLAIMS THE CREDIT, WHICH
20 SHALL BE THE SAME TAX YEAR.

21 (8) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR
22 AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS SECTION
23 EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION
24 THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT BE
25 REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY IN
26 SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP, WHICHEVER
27 OCCURS FIRST. IF A QUALIFIED TAXPAYER HAS AN UNUSED CARRYFORWARD OF

1 A CREDIT UNDER THIS SECTION, THE AMOUNT OTHERWISE ADDED UNDER
2 SUBSECTION (9) TO THE QUALIFIED TAXPAYER'S TAX LIABILITY MAY
3 INSTEAD BE USED TO REDUCE THE QUALIFIED TAXPAYER'S CARRYFORWARD
4 UNDER THIS SECTION.

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

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

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

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

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

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

25 (F) IF THE REVOCATION IS AT LEAST 5 YEARS OR MORE AFTER THE
26 HISTORIC RESOURCE IS PLACED IN SERVICE, AN ADDBACK TO THE QUALIFIED
27 TAXPAYER TAX LIABILITY IS NOT REQUIRED.

1 (10) SUBSECTION (9) SHALL NOT APPLY IF THE QUALIFIED TAXPAYER
2 ENTERS INTO A WRITTEN AGREEMENT WITH THE AUTHORITY THAT WILL ALLOW
3 FOR THE TRANSFER OR SALE OF THE HISTORIC RESOURCE AND PROVIDES THE
4 FOLLOWING:

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

8 (B) A METHOD THAT THE DEPARTMENT CAN RECOVER AN AMOUNT FROM
9 THE TAXPAYER EQUAL TO THE APPROPRIATE PERCENTAGE OF CREDIT ADDED
10 BACK AS DESCRIBED UNDER SUBSECTION (9).

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

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

18 (11) THE AUTHORITY MAY IMPOSE A FEE TO COVER THE
19 ADMINISTRATIVE COST OF IMPLEMENTING THE PROGRAM UNDER THIS SECTION.

20 (12) THE QUALIFIED TAXPAYER SHALL ATTACH ALL OF THE FOLLOWING
21 TO THE QUALIFIED TAXPAYER'S ANNUAL RETURN REQUIRED UNDER THIS PART,
22 IF APPLICABLE, ON WHICH THE CREDIT IS CLAIMED:

23 (A) CERTIFICATION OF COMPLETED REHABILITATION.

24 (B) CERTIFICATION OF HISTORIC SIGNIFICANCE RELATED TO THE
25 HISTORIC RESOURCE AND THE QUALIFIED EXPENDITURES USED TO CLAIM A
26 CREDIT UNDER THIS SECTION.

27 (C) A COMPLETED ASSIGNMENT FORM IF THE QUALIFIED TAXPAYER OR

1 ASSIGNEE HAS ASSIGNED ANY PORTION OF A CREDIT ALLOWED UNDER THIS
2 SECTION OR IF THE TAXPAYER IS AN ASSIGNEE OF ANY PORTION OF A
3 CREDIT ALLOWED UNDER THIS SECTION.

4 (13) THE AUTHORITY MAY PROMULGATE RULES TO IMPLEMENT THIS
5 SECTION PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969
6 PA 306, MCL 24.201 TO 24.328.

7 (14) THE TOTAL OF THE CREDITS CLAIMED UNDER SUBSECTION (2) AND
8 SECTION 266A FOR A REHABILITATION PROJECT SHALL NOT EXCEED 25% OF
9 THE TOTAL QUALIFIED EXPENDITURES ELIGIBLE FOR THE CREDIT UNDER
10 SUBSECTION (2) FOR THAT REHABILITATION PROJECT.

11 (15) THE CREDITS ALLOWED UNDER THIS SECTION AND SECTION 266A
12 SHALL NOT EXCEED \$15,000,000.00 PER YEAR AS AGREED TO AND CERTIFIED
13 BY THE MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY AND NOT LESS
14 THAN \$2,000,000.00 OF THE \$15,000,000.00 EACH YEAR SHALL BE
15 UTILIZED FOR A RESIDENTIAL RESOURCE.

16 (16) THE AUTHORITY SHALL REPORT ALL OF THE FOLLOWING TO THE
17 LEGISLATURE ANNUALLY FOR THE IMMEDIATELY PRECEDING STATE FISCAL
18 YEAR:

19 (A) THE FEE SCHEDULE USED BY THE AUTHORITY AND THE TOTAL
20 AMOUNT OF FEES COLLECTED.

21 (B) A DESCRIPTION OF EACH REHABILITATION PROJECT CERTIFIED.

22 (C) THE LOCATION OF EACH NEW AND ONGOING REHABILITATION
23 PROJECT.

24 (17) AS USED IN THIS SECTION:

25 (A) "CONTRIBUTING RESOURCE" MEANS A HISTORIC RESOURCE THAT
26 CONTRIBUTES TO THE SIGNIFICANCE OF THE HISTORIC DISTRICT IN WHICH
27 IT IS LOCATED.

1 (B) "HISTORIC DISTRICT" MEANS AN AREA, OR GROUP OF AREAS NOT
2 NECESSARILY HAVING CONTIGUOUS BOUNDARIES, THAT CONTAINS 1 RESOURCE
3 OR A GROUP OF RESOURCES THAT ARE RELATED BY HISTORY, ARCHITECTURE,
4 ARCHAEOLOGY, ENGINEERING, OR CULTURE.

5 (C) "HISTORIC RESOURCE" MEANS A PUBLICLY OR PRIVATELY OWNED
6 HISTORIC BUILDING, STRUCTURE, SITE, OBJECT, FEATURE, OR OPEN SPACE
7 LOCATED WITHIN A HISTORIC DISTRICT DESIGNATED BY THE NATIONAL
8 REGISTER OF HISTORIC PLACES, THE STATE REGISTER OF HISTORIC SITES,
9 OR A LOCAL UNIT ACTING UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970
10 PA 169, MCL 399.201 TO 399.215; OR THAT IS INDIVIDUALLY LISTED ON
11 THE STATE REGISTER OF HISTORIC SITES OR NATIONAL REGISTER OF
12 HISTORIC PLACES.

13 (D) "LOCAL UNIT" MEANS A COUNTY, CITY, VILLAGE, OR TOWNSHIP.

14 (E) "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 (F) "MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY" OR
18 "AUTHORITY" MEANS THE PUBLIC BODY CORPORATE AND POLITIC CR7EATED BY
19 SECTION 21 OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966,
20 1966 PA 346, MCL 125.1421.

21 (G) "OPEN SPACE" MEANS UNDEVELOPED LAND, A NATURALLY
22 LANDSCAPED AREA, OR A FORMAL OR MAN-MADE LANDSCAPED AREA THAT
23 PROVIDES A CONNECTIVE LINK OR A BUFFER BETWEEN OTHER RESOURCES.

24 (H) "QUALIFIED EXPENDITURES" MEANS CAPITAL EXPENDITURES THAT
25 QUALIFY, OR WOULD QUALIFY EXCEPT THAT THE TAXPAYER ENTERED INTO AN
26 AGREEMENT UNDER SUBSECTION (10), FOR A REHABILITATION CREDIT UNDER
27 SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE IF THE TAXPAYER IS

1 ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL
2 REVENUE CODE OR, IF THE TAXPAYER IS NOT ELIGIBLE FOR THE CREDIT
3 UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, THE QUALIFIED
4 EXPENDITURES THAT WOULD QUALIFY UNDER SECTION 47(A)(2) OF THE
5 INTERNAL REVENUE CODE EXCEPT THAT THE EXPENDITURES ARE MADE TO A
6 HISTORIC RESOURCE THAT IS NOT ELIGIBLE FOR THE CREDIT UNDER SECTION
7 47(A)(2) OF THE INTERNAL REVENUE CODE THAT WERE PAID. QUALIFIED
8 EXPENDITURES DO NOT INCLUDE CAPITAL EXPENDITURES FOR NONHISTORIC
9 ADDITIONS TO A HISTORIC RESOURCE EXCEPT AN ADDITION THAT IS
10 REQUIRED BY STATE OR FEDERAL REGULATIONS THAT RELATE TO HISTORIC
11 PRESERVATION, SAFETY, OR ACCESSIBILITY.

12 (I) "QUALIFIED TAXPAYER" MEANS A PERSON THAT EITHER OWNS THE
13 RESOURCE TO BE REHABILITATED OR HAS A LONG-TERM LEASE AGREEMENT
14 WITH THE OWNER OF THE HISTORIC RESOURCE AND THAT HAS QUALIFIED
15 EXPENDITURES FOR THE REHABILITATION OF THE HISTORIC RESOURCE EQUAL
16 TO OR GREATER THAN 10% OF THE STATE EQUALIZED VALUATION OF THE
17 PROPERTY. IF THE HISTORIC RESOURCE TO BE REHABILITATED IS A PORTION
18 OF A HISTORIC OR NONHISTORIC RESOURCE, THE STATE EQUALIZED
19 VALUATION OF ONLY THAT PORTION OF THE PROPERTY SHALL BE USED FOR
20 PURPOSES OF THIS SUBDIVISION. IF THE ASSESSOR FOR THE LOCAL TAX
21 COLLECTING UNIT IN WHICH THE HISTORIC RESOURCE IS LOCATED
22 DETERMINES THE STATE EQUALIZED VALUATION OF THAT PORTION, THAT
23 ASSESSOR'S DETERMINATION SHALL BE USED FOR PURPOSES OF THIS
24 SUBDIVISION. IF THE ASSESSOR DOES NOT DETERMINE THAT STATE
25 EQUALIZED VALUATION OF THAT PORTION, QUALIFIED EXPENDITURES, FOR
26 PURPOSES OF THIS SUBDIVISION, SHALL BE EQUAL TO OR GREATER THAN 5%
27 OF THE APPRAISED VALUE AS DETERMINED BY A CERTIFIED APPRAISER. IF

1 THE HISTORIC RESOURCE TO BE REHABILITATED DOES NOT HAVE A STATE
2 EQUALIZED VALUATION, QUALIFIED EXPENDITURES FOR PURPOSES OF THIS
3 SUBDIVISION SHALL BE EQUAL TO OR GREATER THAN 5% OF THE APPRAISED
4 VALUE OF THE RESOURCE AS DETERMINED BY A CERTIFIED APPRAISER.

5 (J) "REHABILITATION PLAN" MEANS A PLAN FOR THE REHABILITATION
6 OF A HISTORIC RESOURCE THAT MEETS THE FEDERAL SECRETARY OF THE
7 INTERIOR'S STANDARDS FOR REHABILITATION AND GUIDELINES FOR
8 REHABILITATION OF HISTORIC BUILDINGS UNDER 36 CFR PART 67.