

# HOUSE BILL No. 5117

October 17, 2017, Introduced by Rep. Chang and referred to the Committee on Tax Policy.

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 WHO IS AN INDIVIDUAL WHO**  
2 **DID NOT HAVE A REHABILITATION PLAN CERTIFIED BEFORE JANUARY 1, 2012**  
3 **BUT DID PAY OR INCUR QUALIFIED EXPENDITURES FOR THE REHABILITATION**  
4 **OF A HISTORIC RESOURCE THAT IS ALSO AN OWNER-OCCUPIED PERSONAL**  
5 **RESIDENCE AFTER DECEMBER 31, 2011 MAY CREDIT AGAINST THE TAX**  
6 **IMPOSED BY THIS PART AN AMOUNT EQUAL TO 25% OF THE QUALIFIED**  
7 **EXPENDITURES THAT WOULD QUALIFY UNDER SECTION 47(A) (2) OF THE**  
8 **INTERNAL REVENUE CODE EXCEPT THAT THE EXPENDITURES ARE MADE TO A**  
9 **HISTORIC RESOURCE THAT IS AN OWNER-OCCUPIED PERSONAL RESIDENCE AND**  
10 **IS NOT ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A) (2) OF THE**  
11 **INTERNAL REVENUE CODE.**

1           (2) A QUALIFIED TAXPAYER WITH A REHABILITATION PLAN CERTIFIED  
2 AFTER DECEMBER 31, 2017 MAY CREDIT AGAINST THE TAX IMPOSED BY THIS  
3 PART THE AMOUNT DETERMINED PURSUANT TO SUBSECTION (3) FOR THE  
4 QUALIFIED EXPENDITURES FOR THE REHABILITATION OF A HISTORIC  
5 RESOURCE PURSUANT TO THE REHABILITATION PLAN IN THE YEAR IN WHICH  
6 THE CERTIFICATION OF COMPLETED REHABILITATION OF THE HISTORIC  
7 RESOURCE IS ISSUED. ONLY THOSE EXPENDITURES THAT ARE PAID OR  
8 INCURRED DURING THE TIME PERIODS PRESCRIBED FOR THE CREDIT UNDER  
9 SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE AND ANY RELATED  
10 TREASURY REGULATIONS SHALL BE CONSIDERED QUALIFIED EXPENDITURES.

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

23           (A) A TAXPAYER WITH QUALIFIED EXPENDITURES THAT ARE ELIGIBLE  
24 FOR THE CREDIT UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE  
25 MAY NOT CLAIM A CREDIT UNDER THIS SECTION FOR THOSE QUALIFIED  
26 EXPENDITURES UNLESS THE TAXPAYER HAS CLAIMED AND RECEIVED A CREDIT  
27 FOR THOSE QUALIFIED EXPENDITURES UNDER SECTION 47(A) (2) OF THE

1 INTERNAL REVENUE CODE OR THE TAXPAYER HAS ELECTED TO TRANSFER THE  
2 CREDIT UNDER SUBSECTION (11) .

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

6 (4) TO BE ELIGIBLE FOR THE CREDIT UNDER SUBSECTION (1) , THE  
7 TAXPAYER SHALL APPLY TO AND RECEIVE , WITHIN 1 YEAR AFTER THE  
8 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION ,  
9 CERTIFICATION FROM THE MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
10 THAT THE COMPLETED REHABILITATION OF THE HISTORIC RESOURCE THAT IS  
11 AN OWNER-OCCUPIED PERSONAL RESIDENCE FOR WHICH THE CREDIT IS SOUGHT  
12 MEETS THE CRITERIA UNDER SUBSECTION (7) AND SUBDIVISION (A) EXCEPT  
13 FOR THE REHABILITATION PLAN. TO BE ELIGIBLE FOR THE CREDIT UNDER  
14 SUBSECTION (2) , THE TAXPAYER SHALL APPLY TO AND RECEIVE FROM THE  
15 MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY THAT THE HISTORIC  
16 SIGNIFICANCE , THE REHABILITATION PLAN , AND THE COMPLETED  
17 REHABILITATION OF THE HISTORIC RESOURCE MEET THE CRITERIA UNDER  
18 SUBSECTION (7) AND EITHER OF THE FOLLOWING :

19 (A) ALL OF THE FOLLOWING CRITERIA :

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

22 (ii) BOTH THE REHABILITATION PLAN AND COMPLETED REHABILITATION  
23 OF THE HISTORIC RESOURCE MEET THE FEDERAL SECRETARY OF THE  
24 INTERIOR'S STANDARDS FOR REHABILITATION AND GUIDELINES FOR  
25 REHABILITATING HISTORIC BUILDINGS , 36 CFR PART 67 .

26 (iii) ALL REHABILITATION WORK HAS BEEN DONE TO OR WITHIN THE  
27 WALLS , BOUNDARIES , OR STRUCTURES OF THE HISTORIC RESOURCE OR TO

1 HISTORIC RESOURCES LOCATED WITHIN THE PROPERTY BOUNDARIES OF THE  
2 RESOURCE.

3 (B) THE TAXPAYER HAS RECEIVED CERTIFICATION FROM THE NATIONAL  
4 PARK SERVICE THAT THE HISTORIC RESOURCE'S SIGNIFICANCE, THE  
5 REHABILITATION PLAN, AND THE COMPLETED REHABILITATION QUALIFY FOR  
6 THE CREDIT ALLOWED UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE  
7 CODE.

8 (5) IF A QUALIFIED TAXPAYER IS ELIGIBLE FOR THE CREDIT ALLOWED  
9 UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE, THE QUALIFIED  
10 TAXPAYER SHALL FILE FOR CERTIFICATION WITH THE AUTHORITY TO QUALIFY  
11 FOR THE CREDIT ALLOWED UNDER SECTION 47(A) (2) OF THE INTERNAL  
12 REVENUE CODE. IF THE QUALIFIED TAXPAYER HAS PREVIOUSLY FILED FOR  
13 CERTIFICATION WITH THE AUTHORITY TO QUALIFY FOR THE CREDIT ALLOWED  
14 UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE, ADDITIONAL  
15 FILING FOR THE CREDIT ALLOWED UNDER THIS SECTION IS NOT REQUIRED.

16 (6) THE AUTHORITY MAY INSPECT A HISTORIC RESOURCE AT ANY TIME  
17 DURING THE REHABILITATION PROCESS AND MAY REVOKE CERTIFICATION OF  
18 COMPLETED REHABILITATION IF THE REHABILITATION WAS NOT UNDERTAKEN  
19 AS REPRESENTED IN THE REHABILITATION PLAN OR IF UNAPPROVED  
20 ALTERATIONS TO THE COMPLETED REHABILITATION ARE MADE DURING THE 5  
21 YEARS AFTER THE TAX YEAR IN WHICH THE CREDIT WAS CLAIMED. THE  
22 AUTHORITY SHALL PROMPTLY NOTIFY THE DEPARTMENT OF A REVOCATION.

23 (7) QUALIFIED EXPENDITURES FOR THE REHABILITATION OF A  
24 HISTORIC RESOURCE MAY BE USED TO CALCULATE THE CREDIT UNDER THIS  
25 SECTION IF THE HISTORIC RESOURCE MEETS 1 OF THE CRITERIA LISTED IN  
26 SUBDIVISION (A) AND 1 OF THE CRITERIA LISTED IN SUBDIVISION (B):

27 (A) THE RESOURCE IS 1 OF THE FOLLOWING DURING THE TAX YEAR IN

1 WHICH A CREDIT UNDER THIS SECTION IS CLAIMED FOR THOSE QUALIFIED  
2 EXPENDITURES:

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

5 (ii) A CONTRIBUTING RESOURCE LOCATED WITHIN A HISTORIC  
6 DISTRICT LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES OR THE  
7 STATE REGISTER OF HISTORIC SITES.

8 (iii) A CONTRIBUTING RESOURCE LOCATED WITHIN A HISTORIC  
9 DISTRICT DESIGNATED BY A LOCAL UNIT PURSUANT TO AN ORDINANCE  
10 ADOPTED UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL  
11 399.201 TO 399.215.

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

15 (i) THE HISTORIC RESOURCE IS LOCATED IN A DESIGNATED HISTORIC  
16 DISTRICT IN A LOCAL UNIT OF GOVERNMENT WITH AN EXISTING ORDINANCE  
17 UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO  
18 399.215.

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

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

25 (iv) THE HISTORIC RESOURCE IS LOCATED IN AN INCORPORATED LOCAL  
26 UNIT OF GOVERNMENT THAT DOES NOT HAVE AN ORDINANCE UNDER THE LOCAL  
27 HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO 399.215, AND IS

1 LOCATED WITHIN THE BOUNDARIES OF AN ASSOCIATION THAT HAS BEEN  
2 CHARTERED UNDER 1889 PA 39, MCL 455.51 TO 455.72.

3 (v) THE HISTORIC RESOURCE IS SUBJECT TO A HISTORIC  
4 PRESERVATION EASEMENT.

5 (8) A CREDIT AMOUNT ASSIGNED UNDER SECTION 675 MAY BE CLAIMED  
6 AGAINST THE PARTNER'S, MEMBER'S, OR SHAREHOLDER'S TAX LIABILITY  
7 UNDER THIS PART AS PROVIDED IN SECTION 675.

8 (9) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR  
9 AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS SECTION  
10 EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION  
11 THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT BE  
12 REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY IN  
13 SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP, WHICHEVER  
14 OCCURS FIRST. IF THE CREDIT AMOUNT ALLOWED IS LESS THAN  
15 \$250,000.00, A QUALIFIED TAXPAYER MAY ELECT TO FORGO THE CARRYOVER  
16 PERIOD AND RECEIVE A REFUND OF THE AMOUNT OF THE CREDIT THAT  
17 EXCEEDS THE QUALIFIED TAXPAYER'S TAX LIABILITY. THE AMOUNT OF THE  
18 REFUND SHALL BE EQUAL TO 90% OF THE AMOUNT OF THE CREDIT THAT  
19 EXCEEDS THE QUALIFIED TAXPAYER'S TAX LIABILITY. AN ELECTION UNDER  
20 THIS SUBSECTION SHALL BE MADE IN THE YEAR THAT A CERTIFICATE OF  
21 COMPLETED REHABILITATION IS ISSUED AND SHALL BE IRREVOCABLE.

22 (10) IF A CERTIFICATE OF COMPLETED REHABILITATION IS REVOKED  
23 UNDER SUBSECTION (6) OR IF THE HISTORIC RESOURCE IS SOLD OR  
24 DISPOSED OF LESS THAN 5 YEARS AFTER BEING PLACED IN SERVICE AS  
25 DEFINED IN SECTION 47(B) (1) OF THE INTERNAL REVENUE CODE AND  
26 RELATED TREASURY REGULATIONS, THE FOLLOWING PERCENTAGE OF THE  
27 CREDIT AMOUNT PREVIOUSLY CLAIMED RELATIVE TO THAT HISTORIC RESOURCE

1 SHALL BE ADDED BACK TO THE TAX LIABILITY OF THE QUALIFIED TAXPAYER  
2 THAT RECEIVED THE CERTIFICATE OF COMPLETED REHABILITATION AND NOT  
3 THE ASSIGNEE IN THE YEAR OF THE REVOCATION:

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

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

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

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

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

14 (F) IF THE REVOCATION IS AT LEAST 5 YEARS OR MORE AFTER THE  
15 HISTORIC RESOURCE IS PLACED IN SERVICE, AN ADDBACK TO THE QUALIFIED  
16 TAXPAYER TAX LIABILITY IS REQUIRED.

17 (11) A QUALIFIED TAXPAYER MAY ELECT TO FORGO CLAIMING THE  
18 CREDIT AND TRANSFER THE CREDIT ALONG WITH THE OWNERSHIP OF THE  
19 PROPERTY FOR WHICH THE CREDIT MAY BE CLAIMED TO A NEW OWNER. THE  
20 NEW OWNER SHALL BE TREATED AS THE QUALIFIED TAXPAYER HAVING  
21 INCURRED THE REHABILITATION COSTS AND SHALL BE SUBJECT TO THE  
22 RECAPTURE PROVISIONS UNDER SUBSECTION (10) IF THE NEW OWNER SELLS  
23 OR DISPOSES OF THE PROPERTY WITHIN 5 YEARS AFTER THE NEW OWNER  
24 ACQUIRED THE PROPERTY. FOR PURPOSES OF THIS SUBSECTION AND  
25 SUBSECTION (10), THE PLACED IN SERVICE DATE FOR A NEW OWNER IS THE  
26 DATE THE NEW OWNER ACQUIRED THE PROPERTY FOR WHICH THE CREDIT IS  
27 CLAIMED.

1           (12) THE AUTHORITY MAY IMPOSE A FEE TO COVER THE  
2 ADMINISTRATIVE COST OF IMPLEMENTING THE PROGRAM UNDER THIS SECTION.

3           (13) THE QUALIFIED TAXPAYER SHALL ATTACH ALL OF THE FOLLOWING  
4 TO THE QUALIFIED TAXPAYER'S ANNUAL RETURN UNDER THIS PART:

5           (A) CERTIFICATION OF COMPLETED REHABILITATION.

6           (B) CERTIFICATION OF HISTORIC SIGNIFICANCE RELATED TO THE  
7 HISTORIC RESOURCE AND THE QUALIFIED EXPENDITURES USED TO CLAIM A  
8 CREDIT UNDER THIS SECTION.

9           (C) A COMPLETED ASSIGNMENT FORM IF THE QUALIFIED TAXPAYER IS  
10 AN ASSIGNEE UNDER SECTION 675 OF ANY PORTION OF A CREDIT ALLOWED  
11 UNDER THAT SECTION.

12           (D) FOR A CREDIT UNDER SUBSECTION (1), CERTIFICATION FROM THE  
13 MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY RECEIVED PURSUANT TO  
14 SUBSECTION (4).

15           (14) THE AUTHORITY MAY PROMULGATE RULES TO IMPLEMENT THIS  
16 SECTION PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969  
17 PA 306, MCL 24.201 TO 24.328.

18           (15) THE TOTAL OF THE CREDITS CLAIMED UNDER THIS SECTION AND  
19 SECTION 675 FOR A REHABILITATION PROJECT SHALL NOT EXCEED 25% OF  
20 THE TOTAL QUALIFIED EXPENDITURES ELIGIBLE FOR THE CREDIT UNDER THIS  
21 SECTION FOR THAT REHABILITATION PROJECT.

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

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

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



1 (C) THE LOCATION OF EACH NEW AND ONGOING REHABILITATION  
2 PROJECT.

3 (17) AS USED IN THIS SECTION:

4 (A) "CONTRIBUTING RESOURCE" MEANS A HISTORIC RESOURCE THAT  
5 CONTRIBUTES TO THE SIGNIFICANCE OF THE HISTORIC DISTRICT IN WHICH  
6 IT IS LOCATED.

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

11 (C) "HISTORIC RESOURCE" MEANS A PUBLICLY OR PRIVATELY OWNED  
12 HISTORIC BUILDING, STRUCTURE, SITE, OBJECT, FEATURE, OR OPEN SPACE  
13 LOCATED WITHIN A HISTORIC DISTRICT DESIGNATED BY THE NATIONAL  
14 REGISTER OF HISTORIC PLACES, THE STATE REGISTER OF HISTORIC SITES,  
15 OR A LOCAL UNIT ACTING UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970  
16 PA 169, MCL 399.201 TO 399.215; OR THAT IS INDIVIDUALLY LISTED ON  
17 THE STATE REGISTER OF HISTORIC SITES OR NATIONAL REGISTER OF  
18 HISTORIC PLACES AND INCLUDES ALL OF THE FOLLOWING:

19 (i) AN OWNER-OCCUPIED PERSONAL RESIDENCE OR A HISTORIC  
20 RESOURCE LOCATED WITHIN THE PROPERTY BOUNDARIES OF THAT PERSONAL  
21 RESIDENCE.

22 (ii) AN INCOME-PRODUCING COMMERCIAL, INDUSTRIAL, OR  
23 RESIDENTIAL RESOURCE OR A HISTORIC RESOURCE LOCATED WITHIN THE  
24 PROPERTY BOUNDARIES OF THAT RESOURCE.

25 (iii) A RESOURCE OWNED BY A GOVERNMENTAL BODY, NONPROFIT  
26 ORGANIZATION, OR TAX-EXEMPT ENTITY THAT IS USED PRIMARILY BY A  
27 TAXPAYER LESSEE IN A TRADE OR BUSINESS UNRELATED TO THE

1 GOVERNMENTAL BODY, NONPROFIT ORGANIZATION, OR TAX-EXEMPT ENTITY AND  
2 THAT IS SUBJECT TO TAX UNDER THIS PART.

3 (iv) A RESOURCE THAT IS OCCUPIED OR UTILIZED BY A GOVERNMENTAL  
4 BODY, NONPROFIT ORGANIZATION, OR TAX-EXEMPT ENTITY PURSUANT TO A  
5 LONG-TERM LEASE OR LEASE WITH OPTION TO BUY AGREEMENT.

6 (v) ANY OTHER RESOURCE THAT COULD BENEFIT FROM REHABILITATION.

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

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

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

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

18 (H) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION,  
19 ASSOCIATION, GOVERNMENTAL ENTITY, OR OTHER LEGAL ENTITY.

20 (I) "QUALIFIED EXPENDITURES" MEANS CAPITAL EXPENDITURES THAT  
21 QUALIFY, OR WOULD QUALIFY EXCEPT THAT THE TAXPAYER ELECTED TO  
22 TRANSFER THE CREDIT UNDER SUBSECTION (11) OR IT IS AN OWNER-  
23 OCCUPIED PERSONAL RESIDENCE, FOR A REHABILITATION CREDIT UNDER  
24 SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE IF THE TAXPAYER IS  
25 ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL  
26 REVENUE CODE OR, IF THE TAXPAYER IS NOT ELIGIBLE FOR THE CREDIT  
27 UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, THE QUALIFIED

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

9 (J) "QUALIFIED TAXPAYER" MEANS A PERSON THAT IS AN ASSIGNEE  
10 UNDER SECTION 675 OR EITHER OWNS THE RESOURCE TO BE REHABILITATED  
11 OR HAS A LONG-TERM LEASE AGREEMENT WITH THE OWNER OF THE HISTORIC  
12 RESOURCE AND THAT HAS QUALIFIED EXPENDITURES FOR THE REHABILITATION  
13 OF THE HISTORIC RESOURCE EQUAL TO OR GREATER THAN 10% OF THE STATE  
14 EQUALIZED VALUATION OF THE PROPERTY. IF THE HISTORIC RESOURCE TO BE  
15 REHABILITATED IS A PORTION OF A HISTORIC OR NONHISTORIC RESOURCE,  
16 THE STATE EQUALIZED VALUATION OF ONLY THAT PORTION OF THE PROPERTY  
17 SHALL BE USED FOR PURPOSES OF THIS SUBDIVISION. IF THE ASSESSOR FOR  
18 THE LOCAL TAX COLLECTING UNIT IN WHICH THE HISTORIC RESOURCE IS  
19 LOCATED DETERMINES THE STATE EQUALIZED VALUATION OF THAT PORTION,  
20 THAT ASSESSOR'S DETERMINATION SHALL BE USED FOR PURPOSES OF THIS  
21 SUBDIVISION. IF THE ASSESSOR DOES NOT DETERMINE THAT STATE  
22 EQUALIZED VALUATION OF THAT PORTION, QUALIFIED EXPENDITURES, FOR  
23 PURPOSES OF THIS SUBDIVISION, SHALL BE EQUAL TO OR GREATER THAN 5%  
24 OF THE APPRAISED VALUE AS DETERMINED BY A CERTIFIED APPRAISER. IF  
25 THE HISTORIC RESOURCE TO BE REHABILITATED DOES NOT HAVE A STATE  
26 EQUALIZED VALUATION, QUALIFIED EXPENDITURES FOR PURPOSES OF THIS  
27 SUBDIVISION SHALL BE EQUAL TO OR GREATER THAN 5% OF THE APPRAISED

1 VALUE OF THE RESOURCE AS DETERMINED BY A CERTIFIED APPRAISER.

2 (K) "REHABILITATION PLAN" MEANS A PLAN FOR THE REHABILITATION  
3 OF A HISTORIC RESOURCE THAT MEETS THE FEDERAL SECRETARY OF THE  
4 INTERIOR'S STANDARDS FOR REHABILITATION AND GUIDELINES FOR  
5 REHABILITATION OF HISTORIC BUILDINGS UNDER 36 CFR PART 67.

6 SEC. 675. (1) A QUALIFIED TAXPAYER WITH A REHABILITATION PLAN  
7 CERTIFIED AFTER DECEMBER 31, 2017 MAY CREDIT AGAINST THE TAX  
8 IMPOSED BY THIS PART THE AMOUNT DETERMINED PURSUANT TO SUBSECTION  
9 (2) FOR THE QUALIFIED EXPENDITURES FOR THE REHABILITATION OF A  
10 HISTORIC RESOURCE PURSUANT TO THE REHABILITATION PLAN IN THE YEAR  
11 IN WHICH THE CERTIFICATION OF COMPLETED REHABILITATION OF THE  
12 HISTORIC RESOURCE IS ISSUED. ONLY THOSE EXPENDITURES THAT ARE PAID  
13 OR INCURRED DURING THE TIME PERIODS PRESCRIBED FOR THE CREDIT UNDER  
14 SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE AND ANY RELATED  
15 TREASURY REGULATIONS SHALL BE CONSIDERED QUALIFIED EXPENDITURES.

16 (2) THE CREDIT ALLOWED UNDER THIS SUBSECTION SHALL BE 25% OF  
17 THE QUALIFIED EXPENDITURES THAT ARE ELIGIBLE, OR WOULD HAVE BEEN  
18 ELIGIBLE EXCEPT THAT THE TAXPAYER ENTERED INTO AN AGREEMENT UNDER  
19 SUBSECTION (10), FOR THE CREDIT UNDER SECTION 47(A) (2) OF THE  
20 INTERNAL REVENUE CODE IF THE TAXPAYER IS ELIGIBLE FOR THE CREDIT  
21 UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE OR, IF THE  
22 TAXPAYER IS NOT ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A) (2) OF  
23 THE INTERNAL REVENUE CODE, 25% OF THE QUALIFIED EXPENDITURES THAT  
24 WOULD QUALIFY UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE  
25 EXCEPT THAT THE EXPENDITURES ARE MADE TO A HISTORIC RESOURCE THAT  
26 IS NOT ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A) (2) OF THE  
27 INTERNAL REVENUE CODE, SUBJECT TO BOTH OF THE FOLLOWING:

1 (A) A TAXPAYER WITH QUALIFIED EXPENDITURES THAT ARE ELIGIBLE  
2 FOR THE CREDIT UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE  
3 MAY NOT CLAIM A CREDIT UNDER THIS SECTION FOR THOSE QUALIFIED  
4 EXPENDITURES UNLESS THE TAXPAYER HAS CLAIMED AND RECEIVED A CREDIT  
5 FOR THOSE QUALIFIED EXPENDITURES UNDER SECTION 47(A) (2) OF THE  
6 INTERNAL REVENUE CODE OR THE TAXPAYER HAS ENTERED INTO AN AGREEMENT  
7 UNDER SUBSECTION (10) .

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

11 (3) TO BE ELIGIBLE FOR THE CREDIT UNDER THIS SECTION, THE  
12 TAXPAYER SHALL APPLY TO AND RECEIVE FROM THE MICHIGAN STATE HOUSING  
13 DEVELOPMENT AUTHORITY THAT THE HISTORIC SIGNIFICANCE, THE  
14 REHABILITATION PLAN, AND THE COMPLETED REHABILITATION OF THE  
15 HISTORIC RESOURCE MEET THE CRITERIA UNDER SUBSECTION (6) AND EITHER  
16 OF THE FOLLOWING:

17 (A) ALL OF THE FOLLOWING CRITERIA:

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

20 (ii) BOTH THE REHABILITATION PLAN AND COMPLETED REHABILITATION  
21 OF THE HISTORIC RESOURCE MEET THE FEDERAL SECRETARY OF THE  
22 INTERIOR'S STANDARDS FOR REHABILITATION AND GUIDELINES FOR  
23 REHABILITATING HISTORIC BUILDINGS, 36 CFR PART 67.

24 (iii) ALL REHABILITATION WORK HAS BEEN DONE TO OR WITHIN THE  
25 WALLS, BOUNDARIES, OR STRUCTURES OF THE HISTORIC RESOURCE OR TO  
26 HISTORIC RESOURCES LOCATED WITHIN THE PROPERTY BOUNDARIES OF THE  
27 PROPERTY.

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

6 (4) IF A QUALIFIED TAXPAYER IS ELIGIBLE FOR THE CREDIT ALLOWED  
7 UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, THE QUALIFIED  
8 TAXPAYER SHALL FILE FOR CERTIFICATION WITH THE AUTHORITY TO QUALIFY  
9 FOR THE CREDIT ALLOWED UNDER SECTION 47(A)(2) OF THE INTERNAL  
10 REVENUE CODE. IF THE QUALIFIED TAXPAYER HAS PREVIOUSLY FILED FOR  
11 CERTIFICATION WITH THE AUTHORITY TO QUALIFY FOR THE CREDIT ALLOWED  
12 UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, ADDITIONAL  
13 FILING FOR THE CREDIT ALLOWED UNDER THIS SECTION IS NOT REQUIRED.

14 (5) THE AUTHORITY MAY INSPECT A HISTORIC RESOURCE AT ANY TIME  
15 DURING THE REHABILITATION PROCESS AND MAY REVOKE CERTIFICATION OF  
16 COMPLETED REHABILITATION IF THE REHABILITATION WAS NOT UNDERTAKEN  
17 AS REPRESENTED IN THE REHABILITATION PLAN OR IF UNAPPROVED  
18 ALTERATIONS TO THE COMPLETED REHABILITATION ARE MADE DURING THE 5  
19 YEARS AFTER THE TAX YEAR IN WHICH THE CREDIT WAS CLAIMED. THE  
20 AUTHORITY SHALL PROMPTLY NOTIFY THE DEPARTMENT OF A REVOCATION.

21 (6) QUALIFIED EXPENDITURES FOR THE REHABILITATION OF A  
22 HISTORIC RESOURCE MAY BE USED TO CALCULATE THE CREDIT UNDER THIS  
23 SECTION IF THE HISTORIC RESOURCE MEETS 1 OF THE CRITERIA LISTED IN  
24 SUBDIVISION (A) AND 1 OF THE CRITERIA LISTED IN SUBDIVISION (B):

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

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

3 (ii) A CONTRIBUTING RESOURCE LOCATED WITHIN A HISTORIC  
4 DISTRICT LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES OR THE  
5 STATE REGISTER OF HISTORIC SITES.

6 (iii) A CONTRIBUTING RESOURCE LOCATED WITHIN A HISTORIC  
7 DISTRICT DESIGNATED BY A LOCAL UNIT PURSUANT TO AN ORDINANCE  
8 ADOPTED UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL  
9 399.201 TO 399.215.

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

13 (i) THE HISTORIC RESOURCE IS LOCATED IN A DESIGNATED HISTORIC  
14 DISTRICT IN A LOCAL UNIT OF GOVERNMENT WITH AN EXISTING ORDINANCE  
15 UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO  
16 399.215.

17 (ii) 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  
20 HAS A POPULATION OF LESS THAN 5,000.

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

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

1           (v) THE HISTORIC RESOURCE IS SUBJECT TO A HISTORIC  
2 PRESERVATION EASEMENT.

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

27           (8) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR



1 AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS SECTION  
2 EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION  
3 THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT BE  
4 REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY IN  
5 SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP, WHICHEVER  
6 OCCURS FIRST. IF A QUALIFIED TAXPAYER HAS AN UNUSED CARRYFORWARD OF  
7 A CREDIT UNDER THIS SECTION, THE AMOUNT OTHERWISE ADDED UNDER  
8 SUBSECTION (9) TO THE QUALIFIED TAXPAYER'S TAX LIABILITY MAY  
9 INSTEAD BE USED TO REDUCE THE QUALIFIED TAXPAYER'S CARRYFORWARD  
10 UNDER THIS SECTION. IF THE CREDIT AMOUNT ALLOWED IS LESS THAN  
11 \$250,000.00, A QUALIFIED TAXPAYER MAY ELECT TO FORGO THE CARRYOVER  
12 PERIOD AND RECEIVE A REFUND OF THE AMOUNT OF THE CREDIT THAT  
13 EXCEEDS THE QUALIFIED TAXPAYER'S TAX LIABILITY. THE AMOUNT OF THE  
14 REFUND SHALL BE EQUAL TO 90% OF THE AMOUNT OF THE CREDIT THAT  
15 EXCEEDS THE QUALIFIED TAXPAYER'S TAX LIABILITY. AN ELECTION UNDER  
16 THIS SUBSECTION SHALL BE MADE IN THE YEAR THAT A CERTIFICATE OF  
17 COMPLETED REHABILITATION IS ISSUED AND SHALL BE IRREVOCABLE.

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

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

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

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

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

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

11 (F) IF THE REVOCATION IS AT LEAST 5 YEARS OR MORE AFTER THE  
12 HISTORIC RESOURCE IS PLACED IN SERVICE, AN ADDBACK TO THE QUALIFIED  
13 TAXPAYER TAX LIABILITY SHALL NOT BE REQUIRED.

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

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

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

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

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

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

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

9 (A) CERTIFICATION OF COMPLETED REHABILITATION.

10 (B) CERTIFICATION OF HISTORIC SIGNIFICANCE RELATED TO THE  
11 HISTORIC RESOURCE AND THE QUALIFIED EXPENDITURES USED TO CLAIM A  
12 CREDIT UNDER THIS SECTION.

13 (C) A COMPLETED ASSIGNMENT FORM IF THE QUALIFIED TAXPAYER OR  
14 ASSIGNEE HAS ASSIGNED ANY PORTION OF A CREDIT ALLOWED UNDER THIS  
15 SECTION OR IF THE TAXPAYER IS AN ASSIGNEE OF ANY PORTION OF A  
16 CREDIT ALLOWED UNDER THIS SECTION.

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

20 (14) THE TOTAL OF THE CREDITS CLAIMED UNDER THIS SECTION AND  
21 SECTION 266A FOR A REHABILITATION PROJECT SHALL NOT EXCEED 25% OF  
22 THE TOTAL QUALIFIED EXPENDITURES ELIGIBLE FOR THE CREDIT UNDER  
23 SUBSECTION (2) FOR THAT REHABILITATION PROJECT.

24 (15) THE AUTHORITY SHALL REPORT ALL OF THE FOLLOWING TO THE  
25 LEGISLATURE ANNUALLY FOR THE IMMEDIATELY PRECEDING STATE FISCAL  
26 YEAR:

27 (A) THE FEE SCHEDULE USED BY THE AUTHORITY AND THE TOTAL

1 AMOUNT OF FEES COLLECTED.

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

3 (C) THE LOCATION OF EACH NEW AND ONGOING REHABILITATION  
4 PROJECT.

5 (16) AS USED IN THIS SECTION:

6 (A) "CONTRIBUTING RESOURCE" MEANS A HISTORIC RESOURCE THAT  
7 CONTRIBUTES TO THE SIGNIFICANCE OF THE HISTORIC DISTRICT IN WHICH  
8 IT IS LOCATED.

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

13 (C) "HISTORIC RESOURCE" MEANS A PUBLICLY OR PRIVATELY OWNED  
14 HISTORIC BUILDING, STRUCTURE, SITE, OBJECT, FEATURE, OR OPEN SPACE  
15 LOCATED WITHIN A HISTORIC DISTRICT DESIGNATED BY THE NATIONAL  
16 REGISTER OF HISTORIC PLACES, THE STATE REGISTER OF HISTORIC SITES,  
17 OR A LOCAL UNIT ACTING UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970  
18 PA 169, MCL 399.201 TO 399.215, OR THAT IS INDIVIDUALLY LISTED ON  
19 THE STATE REGISTER OF HISTORIC SITES OR NATIONAL REGISTER OF  
20 HISTORIC PLACES, AND INCLUDES ALL OF THE FOLLOWING:

21 (i) AN OWNER-OCCUPIED PERSONAL RESIDENCE OR A HISTORIC  
22 RESOURCE LOCATED WITHIN THE PROPERTY BOUNDARIES OF THAT PERSONAL  
23 RESIDENCE.

24 (ii) AN INCOME-PRODUCING COMMERCIAL, INDUSTRIAL, OR  
25 RESIDENTIAL RESOURCE OR A HISTORIC RESOURCE LOCATED WITHIN THE  
26 PROPERTY BOUNDARIES OF THAT RESOURCE.

27 (iii) A RESOURCE OWNED BY A GOVERNMENTAL BODY, NONPROFIT

1 ORGANIZATION, OR TAX-EXEMPT ENTITY THAT IS USED PRIMARILY BY A  
2 TAXPAYER LESSEE IN A TRADE OR BUSINESS UNRELATED TO THE  
3 GOVERNMENTAL BODY, NONPROFIT ORGANIZATION, OR TAX-EXEMPT ENTITY AND  
4 THAT IS SUBJECT TO TAX UNDER THIS ACT.

5 (iv) A RESOURCE THAT IS OCCUPIED OR UTILIZED BY A GOVERNMENTAL  
6 BODY, NONPROFIT ORGANIZATION, OR TAX-EXEMPT ENTITY PURSUANT TO A  
7 LONG-TERM LEASE OR LEASE WITH OPTION TO BUY AGREEMENT.

8 (v) ANY OTHER RESOURCE THAT COULD BENEFIT FROM REHABILITATION.

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

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

13 (F) "MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY" OR  
14 "AUTHORITY" MEANS THE PUBLIC BODY CORPORATE AND POLITIC CREATED BY  
15 SECTION 21 OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966,  
16 1966 PA 346, MCL 125.1421.

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

20 (H) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION,  
21 ASSOCIATION, GOVERNMENTAL ENTITY, OR OTHER LEGAL ENTITY.

22 (I) "QUALIFIED EXPENDITURES" MEANS CAPITAL EXPENDITURES THAT  
23 QUALIFY, OR WOULD QUALIFY EXCEPT THAT THE TAXPAYER ENTERED INTO AN  
24 AGREEMENT UNDER SUBSECTION (10), FOR A REHABILITATION CREDIT UNDER  
25 SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE IF THE TAXPAYER IS  
26 ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL  
27 REVENUE CODE OR, IF THE TAXPAYER IS NOT ELIGIBLE FOR THE CREDIT

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

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

1 SUBDIVISION SHALL BE EQUAL TO OR GREATER THAN 5% OF THE APPRAISED  
2 VALUE OF THE RESOURCE AS DETERMINED BY A CERTIFIED APPRAISER.

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