

HOUSE BILL No. 5178

October 25, 2017, Introduced by Rep. Frederick 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 WITH A REHABILITATION PLAN**
2 **CERTIFIED AFTER DECEMBER 31, 2017 MAY CREDIT AGAINST THE TAX**
3 **IMPOSED BY THIS PART THE AMOUNT DETERMINED PURSUANT TO SUBSECTION**
4 **(2) FOR THE QUALIFIED EXPENDITURES FOR THE REHABILITATION OF A**
5 **HISTORIC RESOURCE PURSUANT TO THE REHABILITATION PLAN IN THE YEAR**
6 **IN WHICH THE CERTIFICATION OF COMPLETED REHABILITATION OF THE**
7 **HISTORIC RESOURCE IS ISSUED. ONLY THOSE EXPENDITURES THAT ARE PAID**
8 **OR 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 **(2) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE 25% OF THE**

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

19 (B) A CREDIT UNDER THIS SECTION SHALL BE REDUCED BY THE AMOUNT
20 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 THIS SECTION, THE
23 TAXPAYER SHALL APPLY TO AND RECEIVE FROM THE MICHIGAN STATE HOUSING
24 DEVELOPMENT AUTHORITY THAT THE HISTORIC SIGNIFICANCE, THE
25 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 RESOURCE.

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 MEETS 1 OF THE CRITERIA LISTED IN
8 SUBDIVISION (A) AND 1 OF THE CRITERIA LISTED IN SUBDIVISION (B):

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

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

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

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

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

24 (i) THE HISTORIC RESOURCE IS LOCATED IN A DESIGNATED HISTORIC
25 DISTRICT IN A LOCAL UNIT OF GOVERNMENT WITH AN EXISTING ORDINANCE
26 UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO
27 399.215.

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

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

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

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

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

17 (8) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR
18 AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS SECTION
19 EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION
20 THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT BE
21 REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY IN
22 SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP, WHICHEVER
23 OCCURS FIRST. IF THE CREDIT AMOUNT ALLOWED IS LESS THAN
24 \$250,000.00, A QUALIFIED TAXPAYER MAY ELECT TO FORGO THE CARRYOVER
25 PERIOD AND RECEIVE A REFUND OF THE AMOUNT OF THE CREDIT THAT
26 EXCEEDS THE QUALIFIED TAXPAYER'S TAX LIABILITY. THE AMOUNT OF THE
27 REFUND SHALL BE EQUAL TO 90% OF THE AMOUNT OF THE CREDIT THAT

1 EXCEEDS THE QUALIFIED TAXPAYER'S TAX LIABILITY. AN ELECTION UNDER
2 THIS SUBSECTION SHALL BE MADE IN THE YEAR THAT A CERTIFICATE OF
3 COMPLETED REHABILITATION IS ISSUED AND SHALL BE IRREVOCABLE.

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

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

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

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

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

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

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

26 (10) A QUALIFIED TAXPAYER MAY ELECT TO FORGO CLAIMING THE
27 CREDIT AND TRANSFER THE CREDIT ALONG WITH THE OWNERSHIP OF THE

1 PROPERTY FOR WHICH THE CREDIT MAY BE CLAIMED TO A NEW OWNER. THE
2 NEW OWNER SHALL BE TREATED AS THE QUALIFIED TAXPAYER HAVING
3 INCURRED THE REHABILITATION COSTS AND SHALL BE SUBJECT TO THE
4 RECAPTURE PROVISIONS UNDER SUBSECTION (9) IF THE NEW OWNER SELLS OR
5 DISPOSES OF THE PROPERTY WITHIN 5 YEARS AFTER THE NEW OWNER
6 ACQUIRED THE PROPERTY. FOR PURPOSES OF THIS SUBSECTION AND
7 SUBSECTION (9), THE PLACED IN SERVICE DATE FOR A NEW OWNER IS THE
8 DATE THE NEW OWNER ACQUIRED THE PROPERTY FOR WHICH THE CREDIT IS
9 CLAIMED.

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

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

14 (A) CERTIFICATION OF COMPLETED REHABILITATION.

15 (B) CERTIFICATION OF HISTORIC SIGNIFICANCE RELATED TO THE
16 HISTORIC RESOURCE AND THE QUALIFIED EXPENDITURES USED TO CLAIM A
17 CREDIT UNDER THIS SECTION.

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

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

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

1 (15) THE AUTHORITY SHALL REPORT ALL OF THE FOLLOWING TO THE
2 LEGISLATURE ANNUALLY FOR THE IMMEDIATELY PRECEDING STATE FISCAL
3 YEAR:

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

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

7 (C) THE LOCATION OF EACH NEW AND ONGOING REHABILITATION
8 PROJECT.

9 (16) AS USED IN THIS SECTION:

10 (A) "CONTRIBUTING RESOURCE" MEANS A HISTORIC RESOURCE THAT
11 CONTRIBUTES TO THE SIGNIFICANCE OF THE HISTORIC DISTRICT IN WHICH
12 IT IS LOCATED.

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

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

25 (i) AN OWNER-OCCUPIED PERSONAL RESIDENCE OR A HISTORIC
26 RESOURCE LOCATED WITHIN THE PROPERTY BOUNDARIES OF THAT PERSONAL
27 RESIDENCE.

1 (ii) AN INCOME-PRODUCING COMMERCIAL, INDUSTRIAL, OR
2 RESIDENTIAL RESOURCE OR A HISTORIC RESOURCE LOCATED WITHIN THE
3 PROPERTY BOUNDARIES OF THAT RESOURCE.

4 (iii) A RESOURCE OWNED BY A GOVERNMENTAL BODY, NONPROFIT
5 ORGANIZATION, OR TAX-EXEMPT ENTITY THAT IS USED PRIMARILY BY A
6 TAXPAYER LESSEE IN A TRADE OR BUSINESS UNRELATED TO THE
7 GOVERNMENTAL BODY, NONPROFIT ORGANIZATION, OR TAX-EXEMPT ENTITY AND
8 THAT IS SUBJECT TO TAX UNDER THIS PART.

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

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

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 CREATED 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) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION,
25 ASSOCIATION, GOVERNMENTAL ENTITY, OR OTHER LEGAL ENTITY.

26 (I) "QUALIFIED EXPENDITURES" MEANS CAPITAL EXPENDITURES THAT
27 QUALIFY, OR WOULD QUALIFY EXCEPT THAT THE TAXPAYER ELECTED TO

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

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

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

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

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

21 (2) THE CREDIT ALLOWED UNDER THIS SUBSECTION SHALL BE 25% OF
22 THE QUALIFIED EXPENDITURES THAT ARE ELIGIBLE, OR WOULD HAVE BEEN
23 ELIGIBLE EXCEPT THAT THE TAXPAYER ENTERED INTO AN AGREEMENT UNDER
24 SUBSECTION (10), FOR THE CREDIT UNDER SECTION 47(A) (2) OF THE
25 INTERNAL REVENUE CODE IF THE TAXPAYER IS ELIGIBLE FOR THE CREDIT
26 UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE OR, IF THE
27 TAXPAYER IS NOT ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A) (2) OF

1 THE INTERNAL REVENUE CODE, 25% OF THE QUALIFIED EXPENDITURES THAT
2 WOULD QUALIFY UNDER SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE
3 EXCEPT THAT THE EXPENDITURES ARE MADE TO A HISTORIC RESOURCE THAT
4 IS NOT ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A) (2) OF THE
5 INTERNAL REVENUE CODE, SUBJECT TO BOTH OF THE FOLLOWING:

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

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

16 (3) TO BE ELIGIBLE FOR THE CREDIT UNDER SUBSECTION (2), THE
17 TAXPAYER SHALL APPLY TO AND RECEIVE FROM THE MICHIGAN STATE HOUSING
18 DEVELOPMENT AUTHORITY THAT THE HISTORIC SIGNIFICANCE, THE
19 REHABILITATION PLAN, AND THE COMPLETED REHABILITATION OF THE
20 HISTORIC RESOURCE MEET THE CRITERIA UNDER SUBSECTION (6) AND EITHER
21 OF THE FOLLOWING:

22 (A) ALL OF THE FOLLOWING CRITERIA:

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

25 (ii) BOTH THE REHABILITATION PLAN AND COMPLETED REHABILITATION
26 OF THE HISTORIC RESOURCE MEET THE FEDERAL SECRETARY OF THE
27 INTERIOR'S STANDARDS FOR REHABILITATION AND GUIDELINES FOR

1 REHABILITATING HISTORIC BUILDINGS, 36 CFR PART 67.

2 (iii) ALL REHABILITATION WORK HAS BEEN DONE TO OR WITHIN THE
3 WALLS, BOUNDARIES, OR STRUCTURES OF THE HISTORIC RESOURCE OR TO
4 HISTORIC RESOURCES LOCATED WITHIN THE PROPERTY BOUNDARIES OF THE
5 PROPERTY.

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

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

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

26 (6) QUALIFIED EXPENDITURES FOR THE REHABILITATION OF A
27 HISTORIC RESOURCE MAY BE USED TO CALCULATE THE CREDIT UNDER THIS

1 SECTION IF THE HISTORIC RESOURCE MEETS 1 OF THE CRITERIA LISTED IN
2 SUBDIVISION (A) AND 1 OF THE CRITERIA LISTED IN SUBDIVISION (B) :

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

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

8 (ii) A CONTRIBUTING RESOURCE LOCATED WITHIN A HISTORIC
9 DISTRICT LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES OR THE
10 STATE REGISTER OF HISTORIC SITES.

11 (iii) A CONTRIBUTING RESOURCE LOCATED WITHIN A HISTORIC
12 DISTRICT DESIGNATED BY A LOCAL UNIT PURSUANT TO AN ORDINANCE
13 ADOPTED UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL
14 399.201 TO 399.215.

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

18 (i) THE HISTORIC RESOURCE IS LOCATED IN A DESIGNATED HISTORIC
19 DISTRICT IN A LOCAL UNIT OF GOVERNMENT WITH AN EXISTING ORDINANCE
20 UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO
21 399.215.

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

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

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

6 (v) THE HISTORIC RESOURCE IS SUBJECT TO A HISTORIC
7 PRESERVATION EASEMENT.

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

1 COMPLETED ASSIGNMENT CERTIFICATE TO THE ANNUAL RETURN REQUIRED TO
2 BE FILED UNDER THIS PART FOR THE TAX YEAR IN WHICH THE ASSIGNMENT
3 OR REASSIGNMENT IS MADE AND THE ASSIGNEE OR REASSIGNEE FIRST CLAIMS
4 THE CREDIT, WHICH SHALL BE THE SAME TAX YEAR.

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

23 (9) EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTION (10), IF A
24 CERTIFICATE OF COMPLETED REHABILITATION IS REVOKED UNDER SUBSECTION
25 (5) OR A HISTORIC RESOURCE IS SOLD OR DISPOSED OF LESS THAN 5 YEARS
26 AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE AS DEFINED IN
27 SECTION 47(B) (1) OF THE INTERNAL REVENUE CODE AND RELATED TREASURY

1 REGULATIONS, THE FOLLOWING PERCENTAGE OF THE CREDIT AMOUNT
2 PREVIOUSLY CLAIMED RELATIVE TO THAT HISTORIC RESOURCE SHALL BE
3 ADDED BACK TO THE TAX LIABILITY OF THE QUALIFIED TAXPAYER THAT
4 RECEIVED THE CERTIFICATE OF COMPLETED REHABILITATION AND NOT THE
5 ASSIGNEE IN THE YEAR OF THE REVOCATION:

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

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

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

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

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

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

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

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

26 (B) A METHOD THAT THE DEPARTMENT CAN RECOVER AN AMOUNT FROM
27 THE TAXPAYER EQUAL TO THE APPROPRIATE PERCENTAGE OF CREDIT ADDED

1 BACK AS DESCRIBED UNDER SUBSECTION (9).

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

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

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

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

14 (A) CERTIFICATION OF COMPLETED REHABILITATION.

15 (B) CERTIFICATION OF HISTORIC SIGNIFICANCE RELATED TO THE
16 HISTORIC RESOURCE AND THE QUALIFIED EXPENDITURES USED TO CLAIM A
17 CREDIT UNDER THIS SECTION.

18 (C) A COMPLETED ASSIGNMENT FORM IF THE QUALIFIED TAXPAYER OR
19 ASSIGNEE HAS ASSIGNED ANY PORTION OF A CREDIT ALLOWED UNDER THIS
20 SECTION OR IF THE TAXPAYER IS AN ASSIGNEE OF ANY PORTION OF A
21 CREDIT ALLOWED UNDER THIS SECTION.

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

25 (14) THE TOTAL OF THE CREDITS CLAIMED UNDER SUBSECTION (2) AND
26 SECTION 266A FOR A REHABILITATION PROJECT SHALL NOT EXCEED 25% OF
27 THE TOTAL QUALIFIED EXPENDITURES ELIGIBLE FOR THE CREDIT UNDER

1 SUBSECTION (2) FOR THAT REHABILITATION PROJECT.

2 (15) THE AUTHORITY SHALL REPORT ALL OF THE FOLLOWING TO THE
3 LEGISLATURE ANNUALLY FOR THE IMMEDIATELY PRECEDING STATE FISCAL
4 YEAR:

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

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

8 (C) THE LOCATION OF EACH NEW AND ONGOING REHABILITATION
9 PROJECT.

10 (16) AS USED IN THIS SECTION:

11 (A) "CONTRIBUTING RESOURCE" MEANS A HISTORIC RESOURCE THAT
12 CONTRIBUTES TO THE SIGNIFICANCE OF THE HISTORIC DISTRICT IN WHICH
13 IT IS LOCATED.

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

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

26 (i) AN OWNER-OCCUPIED PERSONAL RESIDENCE OR A HISTORIC
27 RESOURCE LOCATED WITHIN THE PROPERTY BOUNDARIES OF THAT PERSONAL

1 RESIDENCE.

2 (ii) AN INCOME-PRODUCING COMMERCIAL, INDUSTRIAL, OR
3 RESIDENTIAL RESOURCE OR A HISTORIC RESOURCE LOCATED WITHIN THE
4 PROPERTY BOUNDARIES OF THAT RESOURCE.

5 (iii) A RESOURCE OWNED BY A GOVERNMENTAL BODY, NONPROFIT
6 ORGANIZATION, OR TAX-EXEMPT ENTITY THAT IS USED PRIMARILY BY A
7 TAXPAYER LESSEE IN A TRADE OR BUSINESS UNRELATED TO THE
8 GOVERNMENTAL BODY, NONPROFIT ORGANIZATION, OR TAX-EXEMPT ENTITY AND
9 THAT IS SUBJECT TO TAX UNDER THIS ACT.

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

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

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

15 (E) "LONG-TERM LEASE" MEANS A LEASE TERM OF AT LEAST 27.5
16 YEARS FOR A RESIDENTIAL RESOURCE OR AT LEAST 31.5 YEARS FOR A
17 NONRESIDENTIAL RESOURCE.

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

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

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

27 (I) "QUALIFIED EXPENDITURES" MEANS CAPITAL EXPENDITURES THAT

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

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

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

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