

# HOUSE BILL No. 5802

March 14, 2002, Introduced by Reps. Kolb, Hale, Spade, Zelenko, Schauer, Murphy, Bernero, Minore, Jacobs, DeWeese and Lockwood 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 206.532) by adding section 270.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 270. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,  
2        2001, A TAXPAYER, OTHER THAN A RESIDENT ESTATE OR TRUST, MAY  
3        CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT FOR A CONTRI-  
4        BUTION TO A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION.

5        (2) THE CREDIT ALLOWED BY THIS SECTION SHALL NOT EXCEED  
6        \$100.00, OR \$200.00 FOR A HUSBAND AND WIFE FILING A JOINT  
7        RETURN.

8        (3) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION  
9        EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT  
10       PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL NOT BE  
11       REFUNDED.

(4) AS USED IN THIS SECTION, "COMMUNITY HOUSING DEVELOPMENT ORGANIZATION" MEANS A PRIVATE NONPROFIT ORGANIZATION THAT MEETS ALL OF THE FOLLOWING CRITERIA:

(A) HAS AMONG ITS PURPOSES TO PROVIDE DECENT HOUSING THAT IS AFFORDABLE TO LOW-INCOME AND MODERATE-INCOME PERSONS.

(B) MAINTAINS ACCOUNTABILITY TO LOW-INCOME AND MODERATE-INCOME COMMUNITY RESIDENTS BY DOING ALL OF THE FOLLOWING:

(i) ASSURING THAT AT LEAST 1/3 OF ITS GOVERNING BOARD MEMBERS ARE RESIDENTS OF LOW-INCOME NEIGHBORHOODS OR ELECTIVE REPRESENTATIVES OF A GROUP THAT REPRESENTS OR ADVOCATES FOR RESIDENTS OF LOW-INCOME NEIGHBORHOODS.

(ii) PROVIDING A FORMAL PROCESS FOR LOW-INCOME PROGRAM BENEFICIARIES TO ADVISE THE ORGANIZATION REGARDING DESIGN, SITING, DEVELOPMENT, AND MANAGEMENT OF AFFORDABLE HOUSING.

(C) IS ORGANIZED UNDER STATE LAW.

(D) IS TAX EXEMPT UNDER SECTION 501(c)(3) OR (4) OF THE INTERNAL REVENUE CODE.

(E) NO PART OF ITS NET EARNINGS INURE TO THE BENEFIT OF ANY MEMBER, FOUNDER, CONTRIBUTOR, OR INDIVIDUAL.

(F) IS NOT CONTROLLED BY OR UNDER THE DIRECTION OF INDIVIDUALS OR ENTITIES THAT SEEK TO DERIVE PROFIT OR GAIN FROM THE ORGANIZATION.

(G) IF THE COMMUNITY HOUSING DEVELOPMENT ORGANIZATION INCLUDES A PUBLIC BODY OR IS STATE OR LOCALLY CHARTERED, THE PUBLIC BODY OR STATE OR LOCAL GOVERNMENT DOES NOT HAVE THE RIGHT TO APPOINT MORE THAN 1/3 OF THE MEMBERSHIP OF THE GOVERNING BOARD

1 OF THE ORGANIZATION AND NOT MORE THAN 1/3 OF THE BOARD MEMBERS OF  
2 THE ORGANIZATION SHALL BE PUBLIC OFFICIALS.

3 (H) USES GENERALLY ACCEPTED ACCOUNTING METHODS AS THE STAN-  
4 DARD FOR FINANCIAL ACCOUNTABILITY.