

HOUSE BILL No. 5488

November 28, 2007, Introduced by Rep. Espinoza and referred to the Committee on Tax Policy.

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending sections 9 and 10 (MCL 125.2689 and 125.2690), section
10 as amended by 2005 PA 164.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. (1) Except as otherwise provided in section 10, an
2 individual who is a resident of a renaissance zone or a business
3 that is located and conducts business activity within a renaissance
4 zone shall receive the exemption, deduction, or credit as provided
5 in the following for the period provided under section 6(2)(b):

6 (a) Section 39b of the single business tax act, ~~Act No. 228 of~~
7 ~~the Public Acts of 1975, being section 208.39b of the Michigan~~
8 ~~Compiled Laws 1975 PA 228, MCL 208.39B, OR SECTION 433 OF THE~~

1 **MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1433.**

2 (b) Section 31 of the income tax act of 1967, ~~Act No. 281 of~~
3 ~~the Public Acts of 1967, being section 206.31 of the Michigan~~
4 ~~Compiled Laws 1967 PA 281, MCL 206.31.~~

5 (c) Section 35 of chapter 2 of the city income tax act, ~~Act~~
6 ~~No. 284 of the Public Acts of 1964, being section 141.635 of the~~
7 ~~Michigan Compiled Laws 1964 PA 284, MCL 141.635.~~

8 (d) Section 5 of the city utility users tax act, ~~Act No. 100~~
9 ~~of the Public Acts of 1990, being section 141.1155 of the Michigan~~
10 ~~Compiled Laws 1990 PA 100, MCL 141.1155.~~

11 (2) Except as otherwise provided in section 10, property
12 located in a renaissance zone is exempt from the collection of
13 taxes under all of the following:

14 (a) Section 7ff of the general property tax act, ~~Act No. 206~~
15 ~~of the Public Acts of 1893, being section 211.7ff of the Michigan~~
16 ~~Compiled Laws 1893 PA 206, MCL 211.7FF.~~

17 (b) Section 11 of ~~Act No. 198 of the Public Acts of 1974,~~
18 ~~being section 207.561 of the Michigan Compiled Laws 1974 PA 198,~~
19 **MCL 207.561.**

20 (c) Section 12 of the commercial redevelopment act, ~~Act No.~~
21 ~~255 of the Public Acts of 1978, being section 207.662 of the~~
22 ~~Michigan Compiled Laws 1978 PA 255, MCL 207.662.~~

23 (d) Section 21c of the enterprise zone act, ~~Act No. 224 of the~~
24 ~~Public Acts of 1985, being section 125.2121c of the Michigan~~
25 ~~Compiled Laws 1985 PA 224, MCL 125.2121C.~~

26 (e) Section 1 of ~~Act No. 189 of the Public Acts of 1953, being~~
27 ~~section 211.181 of the Michigan Compiled Laws 1953 PA 189, MCL~~

1 211.181.

2 (f) Section 12 of the technology park development act, ~~Act No.~~
3 ~~385 of the Public Acts of 1984, being section 207.712 of the~~
4 ~~Michigan Compiled Laws 1984 PA 385, MCL 207.712.~~

5 (g) Section 51105 of ~~part 511 (commercial forests) of the~~
6 natural resources and environmental protection act, ~~Act No. 451 of~~
7 ~~the Public Acts of 1994, being section 324.51105 of the Michigan~~
8 ~~Compiled Laws 1994 PA 451, MCL 324.51105.~~

9 (h) Section 9 of the neighborhood enterprise zone act, ~~Act No.~~
10 ~~147 of the Public Acts of 1992, being section 207.779 of the~~
11 ~~Michigan Compiled Laws 1992 PA 147, MCL 207.779.~~

12 (3) During the last 3 years that the taxpayer is eligible for
13 an exemption, deduction, or credit described in subsections (1) and
14 (2), the exemption, deduction, or credit shall be reduced by the
15 following percentages:

16 (a) For the tax year that is 2 years before the final year of
17 designation as a renaissance zone, the percentage shall be 25%.

18 (b) For the tax year immediately preceding the final year of
19 designation as a renaissance zone, the percentage shall be 50%.

20 (c) For the tax year that is the final year of designation as
21 a renaissance zone, the percentage shall be 75%.

22 Sec. 10. (1) An individual who is a resident of a renaissance
23 zone or a business that is located and conducts business activity
24 within a renaissance zone or a person that owns property located in
25 a renaissance zone is not eligible for the exemption, deduction, or
26 credit listed in section 9(1) or (2) for that taxable year if 1 or
27 more of the following apply:

1 (a) The resident, business, or property owner is delinquent on
2 December 31 of the prior tax year under 1 or more of the following:

3 (i) The single business tax act, 1975 PA 228, MCL 208.1 to
4 208.145, **OR THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1101**
5 **TO 208.1601.**

6 (ii) The income tax act of 1967, 1967 PA 281, MCL 206.1 to
7 206.532.

8 (iii) 1974 PA 198, MCL 207.551 to 207.572.

9 (iv) The commercial redevelopment act, 1978 PA 255, MCL 207.651
10 to 207.668.

11 (v) The enterprise zone act, 1985 PA 224, MCL 125.2101 to
12 125.2123.

13 (vi) 1953 PA 189, MCL 211.181 to 211.182.

14 (vii) The technology park development act, 1984 PA 385, MCL
15 207.701 to 207.718.

16 (viii) Part 511 of the natural resources and environmental
17 protection act, 1994 PA 451, MCL 324.51101 to 324.51120.

18 (ix) The neighborhood enterprise zone act, 1992 PA 147, MCL
19 207.771 to 207.786.

20 (x) The city utility users tax act, 1990 PA 100, MCL 141.1151
21 to 141.1177.

22 (b) The resident, business, or property owner is substantially
23 delinquent as defined in a written policy by the qualified local
24 governmental unit in which the renaissance zone is located on
25 December 31 of the prior tax year under 1 or both of the following:

26 (i) The city income tax act, 1964 PA 284, MCL 141.501 to
27 141.787.

1 (ii) Taxes, fees, and special assessments collected under the
2 general property tax act, 1893 PA 206, MCL 211.1 to ~~211.157~~
3 **211.155.**

4 (c) For residential rental property in a renaissance zone, the
5 residential rental property is not in substantial compliance with
6 all applicable state and local zoning, building, and housing laws,
7 ordinances, or codes and, except as otherwise provided in this
8 subdivision, the residential rental property owner has not filed an
9 affidavit before December 31 in the immediately preceding tax year
10 with the local tax collecting unit in which the residential rental
11 property is located as required under section 7ff of the general
12 property tax act, 1893 PA 206, MCL 211.7ff. Beginning December 31,
13 2004, a residential rental property owner is not required to file
14 an affidavit if the qualified local governmental unit in which the
15 residential rental property is located determines that the
16 residential rental property is in substantial compliance with all
17 applicable state and local zoning, building, and housing laws,
18 ordinances, and codes on December 31 of the immediately preceding
19 tax year.

20 (2) An individual who is a resident of a renaissance zone is
21 eligible for an exemption, deduction, or credit under section 9(1)
22 and (2) until the department of treasury determines that the
23 aggregate state and local tax revenue forgone as a result of all
24 exemptions, deductions, or credits granted under this act to that
25 individual reaches \$10,000,000.00.

26 (3) A casino located and conducting business activity within a
27 renaissance zone is not eligible for the exemption, deduction, or

1 credit listed in section 9(1) or (2). Real property in a
2 renaissance zone on which a casino is operated, personal property
3 of a casino located in a renaissance zone, and all property
4 associated or affiliated with the operation of a casino is not
5 eligible for the exemption, deduction, or credit listed in section
6 9(1) or (2). As used in this subsection, "casino" means a casino or
7 a parking lot, hotel, motel, or retail store owned or operated by a
8 casino, an affiliate, or an affiliated company, regulated by this
9 state pursuant to the Michigan gaming control and revenue act, the
10 Initiated Law of 1996, MCL 432.201 to 432.226.

11 (4) For tax years beginning on or after January 1, 1997, an
12 individual who is a resident of a renaissance zone shall not be
13 denied the exemption under subsection (1) if the individual failed
14 to file a return on or before December 31 of the prior tax year
15 under subsection (1)(a)(ii) and that individual was entitled to a
16 refund under that act.