

HOUSE BILL NO. 5389

October 13, 2021, Introduced by Reps. Sowerby, Haadsma, Cherry, Clemente, Camilleri, Pohutsky, Kuppa, Hope, Koleszar and Brabec 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 section 279.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 279. (1) Subject to the limitations under this section,
2 for tax years that begin on and after January 1, 2021, a taxpayer
3 that purchases a qualified green residential building during the
4 tax year or that invests in an eligible renovation or addition to
5 an existing residential building that is completed during the tax

1 year may claim a credit against the tax imposed by this part as
2 follows:

3 (a) For the purchase of a qualified green residential
4 building, \$5,000.00.

5 (b) For an eligible renovation or addition to an existing
6 residential building with the following certification:

7 (i) A platinum LEED certification, platinum GreenStar
8 certification, emerald NGBS green certification, living building
9 certification, or Zero Energy Ready Home certification, 30% of the
10 costs incurred to complete that eligible renovation or addition or
11 \$4,000.00, whichever is less.

12 (ii) A gold LEED certification, gold GreenStar certification,
13 or gold NGBS green certification, 30% of the costs incurred to
14 complete the eligible renovation or addition or \$3,000.00,
15 whichever is less.

16 (iii) A silver LEED certification, silver GreenStar
17 certification, or silver NGBS green certification, 30% of the costs
18 incurred to complete the eligible renovation or addition or
19 \$2,000.00, whichever is less.

20 (2) A taxpayer shall not claim a credit under this section
21 unless a certificate has been issued to the taxpayer for the
22 qualified green residential building or the eligible renovation or
23 addition. The taxpayer shall attach the certificate to the annual
24 return filed under this part on which the credit under this section
25 is claimed. The certificate required under this subsection shall
26 state, at a minimum, that the qualified green residential building
27 or the eligible renovation or addition, whichever is applicable,
28 meets or exceeds the certification standards of that certifying
29 body.

1 (3) If the credit allowed under this section for the tax year
2 and any unused carryforward of the credit allowed by this section
3 exceed the taxpayer's tax liability for the tax year, that portion
4 that exceeds the tax liability for the tax year shall not be
5 refunded but may be carried forward to offset tax liability in
6 subsequent tax years for 4 years or until used up, whichever occurs
7 first.

8 (4) As used in this section:

9 (a) "Eligible renovation or addition" means a renovation or
10 addition made to an existing residential building that is located
11 in this state, that is renovated or constructed by a person
12 licensed under article 24 of the occupational code, 1980 PA 299,
13 MCL 339.2401 to 339.2412, that was issued a building permit for the
14 renovation or addition as required under the Stille-DeRossett-Hale
15 single state construction code act, 1972 PA 230, MCL 125.1501 to
16 125.1531, and that eligible renovation or addition to the existing
17 residential building has been certified by any of the following:

18 (i) The United States Green Building Council under the LEED
19 program.

20 (ii) The Home Innovation Research Labs under the NGBS green
21 certification program.

22 (iii) The GreenHome Institute under the greenstar certification
23 program.

24 (iv) The United States Department of Energy under the Zero
25 Energy Ready Home program.

26 (v) The International Living Future Institute under the living
27 building challenge program.

28 (b) "GreenStar certification" means the certification awarded
29 by the GreenHome Institute.

1 (c) "LEED" means leadership in energy and environmental
2 design.

3 (d) "LEED certification" means the certification awarded by
4 the United States Green Building Council based on the most recent
5 LEED green building rating system developed and adopted by the
6 United States Green Building Council for new buildings and major
7 renovations.

8 (e) "NGBS" means national green building standard.

9 (f) "NGBS green certification" means the certification awarded
10 by the Home Innovation Research Labs.

11 (g) "Qualified green residential building" means a newly
12 constructed residential building that is located in this state,
13 that is constructed by a person licensed under article 24 of the
14 occupational code, 1980 PA 299, MCL 339.2401 to 339.2412, that is
15 constructed or renovated in accordance with the Michigan building
16 code or the Michigan rehabilitation code for existing buildings as
17 promulgated pursuant to the Stille-DeRossett-Hale single state
18 construction code act, 1972 PA 230, MCL 125.1501 to 125.1531, and
19 that has a platinum LEED certification, platinum GreenStar
20 certification, emerald NGBS green certification, living building
21 certification from the International Living Future Institute, or
22 Zero Energy Ready Home certification from the United States
23 Department of Energy.

24 (h) "Residential building" means any 1- and 2-family dwelling,
25 townhouse, or accessory structure that is regulated by the Michigan
26 residential code promulgated pursuant to the Stille-DeRossett-Hale
27 single state construction code act, 1972 PA 230, MCL 125.1501 to
28 125.1531.