

MICHIGAN FIRST-TIME HOME BUYER SAVINGS PROGRAM ACT (EXCERPT)
Act 6 of 2022

565.1003 Definitions.

Sec. 3. As used in this act:

(a) "Account holder" means an individual who establishes, individually or jointly with 1 or more other individuals, an account with a financial institution for which the account holder claims a first-time home buyer savings account status on his or her income tax return.

(b) "Allowable closing costs" means a disbursement listed on a settlement statement for the purchase of a single-family residence in this state by a qualified beneficiary.

(c) "Department" means the department of treasury.

(d) "Eligible costs" means the down payment and allowable closing costs for the purchase of a single-family residence in this state by a qualified beneficiary.

(e) "Financial institution" means any bank, trust company, savings institution, industrial loan association, consumer finance company, credit union, or any benefit association, insurance company, safe deposit company, money market mutual fund, broker, or similar entity authorized to do business in this state.

(f) "First-time home buyer" means an individual who is a resident of this state and has not owned or purchased, either individually or jointly, a single-family residence during a period of 3 years prior to the date of the purchase of a single-family residence.

(g) "First-time home buyer savings account" or "account" means an account with a financial institution that an account holder designates as a first-time home buyer savings account on his or her income tax return pursuant to this act for the purpose of paying or reimbursing eligible costs for the purchase of a single-family residence in this state by a qualified beneficiary.

(h) "Principal residence" means that term as defined in section 7dd of the general property tax act, 1893 PA 206, MCL 211.7dd.

(i) "Program" means the first-time home buyer savings program established pursuant to this act.

(j) "Qualified beneficiary" means a first-time home buyer who is designated as the beneficiary of an account designated by the account holder as a first-time home buyer savings account.

(k) "Qualified withdrawal" means a withdrawal from an account that is not subject to a penalty under this act or taxation under the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.713, and that is a withdrawal from an account that is made at least 1 year after the account was opened and designated as a first-time home buyer savings account and the withdrawal is used to pay the eligible costs of the qualified beneficiary incurred at least 1 year after the account is designated.

(l) "Settlement statement" means the statement of receipts and disbursements for a transaction related to real estate, including a statement prescribed under the real estate settlement procedures act of 1974 (RESPA), 12 USC 2601 to 2617, or an executed sales agreement for the purchase of a manufactured home being conveyed as personal property.

(m) "Single-family residence" means a single-family residence owned and occupied by a qualified beneficiary as the qualified beneficiary's principal residence. Single-family residence includes a manufactured home, trailer, mobile home, condominium unit, or cooperative.

(n) "Treasurer" means the state treasurer.

History: 2022, Act 6, Imd. Eff. Feb. 9, 2022.