

HOUSE BILL No. 5292

November 13, 2003, Introduced by Rep. Kolb 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 2003, a taxpayer may claim a credit equal to \$3,000.00 for the
3 tax year in which the taxpayer purchases an eligible residence if
4 the taxpayer or both the taxpayer and his or her spouse live in
5 that residence and 1 of them walks to his or her primary place of
6 employment or uses public transportation to get to and from his
7 or her primary place of employment.

8 (2) To claim that credit under this section, the taxpayer
9 shall attach a copy of the closing documents that relate to the
10 residence, the purchase of which qualifies the taxpayer for the
11 credit under this section, to the tax return on which the credit

1 is claimed.

2 (3) If the amount of the credit allowed under this section
3 exceeds the tax liability of the taxpayer for the tax year, that
4 portion of the credit that exceeds the tax liability shall be
5 refunded.

6 (4) As used in this section:

7 (a) "Eligible residence" means a principal residence as
8 defined in section 7dd of the general property tax act, 1893 PA
9 206, MCL 211.7dd, that meets both of the following criteria:

10 (i) Is located within 2 miles of the primary place of
11 employment of the taxpayer or his or her spouse.

12 (ii) The homestead is the primary residence of the taxpayer
13 or both the taxpayer and his or her spouse.

14 (b) "Primary place of employment" means the place where the
15 taxpayer or his or her spouse is employed for at least 20 hours
16 per week for the portion of the tax year during which the
17 taxpayer or the taxpayer and his or her spouse live in the
18 eligible residence, the purchase of which qualifies the taxpayer
19 for the credit under this section.