

STAND UP FOR HOUSING – A FOUNDATION FOR RECOVERY
BE INFORMED – A Legislative Update
(September 11, 2008)

SENATE BILL 1217 – Sponsored by Senator Nancy Cassis (R-Novi) – SIGNED INTO LAW

SB 1217 was the first bill to pass and be signed into law as PA 177 of 08. This was a much needed fix to the Michigan Business Tax to allow our industry to deduct their material cost from the gross receipts base. Many thanks go to Senator Cassis, Representative Bieda and Speaker Dillon for helping us achieve this goal.

Energy Efficiency Improvement/Green Building Tax Credits

House Bill 6178, the commercial construction Green Building Tax credit bill, is still on the House floor. Language is being drafted to allow additional commercial and industrial Green Building programs to qualify for the MBT credit.

House Bill 6179, the residential construction bill remains in House Tax policy due to concerns from the Michigan Department of Treasury about the cost of the tax credits to the state. We continue to work on this legislation.

Pop-Up Tax Reform

We are working with Speaker Andy Dillon to come up with a solution to the pop-up issue. Please stay tuned.

Deferment of Assessments

Senate Bill 1247, sponsored by Senator Wayne Kuipers (R-Holland), is currently in the Senate Finance Committee. The bill would exempt new residential construction from property tax until the home becomes occupied. A request is in for a committee hearing and vote for the bill.

On September 11, 2008, Representative Bieda (D-Warren) introduced House Bill 6448 as the companion bill to Senate Bill 1247. It currently is in House Tax Policy awaiting a hearing.

Pro Ration of Principal Residence Exemption

House Bill 5334, which is sponsored by Representative Fred Miller (D-Macomb), would allow immediate application of the principal residence exemption when a home buyer purchases a non-homestead property as their home after the May 1 deadline. This legislation is in the House Tax Policy Committee.

State Real Estate Transfer Tax Reform

Representative Fred Miller (D-Macomb) introduced House Bill 6318 on July 23, 2008 and the bill was referred to the House Tax Policy Committee. It will exempt the first time transfer of a newly constructed home and lot from the State Real Estate Transfer Tax.

Stay tuned to www.buildingmichigan.org for updates on where we stand on this important legislation. Should you have any questions, please do not hesitate to contact either Lee Schwartz or Dawn Crandall in the Government Relations office at 1.800.748.0432.

