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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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STATE TREASURER

**Bulletin 12 of 2010
Implementation of
P.A. 109 of 2010
September 20, 2010**

TO: Assessors and Equalization Directors

RE: Implementation of P.A. 109 of 2010

Governor Granholm on July 1, 2010 signed into law P.A. 109 of 2010 with an effective date of July 1, 2010. This act adds to the General Property Tax Act Section 211.7mm which exempts from the collection of taxes the real and personal property owned by a charitable nonprofit housing organization that is used for a retail store operated by that charitable nonprofit housing organization and that is engaged exclusively in the sale of donated items suitable for residential housing purposes.

Charitable Non Profit Housing Organizations is defined as an organization that is not operated for profit and that is exempt from federal income tax under section 501(c)(3) of the internal revenue code, 26 USC 501, the primary purpose of which is the construction or renovation of residential housing for conveyance to low-income person(s).

Although this bill was signed into law after the close of the 2010 March Boards of Review, the act does indicate that this exemption begins on December 31, 2009 and Legislative intent was for the eligible organizations to receive the exemption for the 2010 tax year. In order to provide this exemption to eligible organizations for 2010, the Commission would advise assessors to file MCL 211.154 petitions by completing and submitting form L-4154.

Please note: The State Tax Commission does not believe that a July or December Board of Review has the authority to provide this exemption to eligible organizations because qualified errors include correction of an error regarding the correct taxable status of the real property being assessed.

211.7mm Charitable nonprofit housing organization; real and personal property used for retail store; exemption; definitions.

Sec. 7mm.

Beginning December 31, 2009, real and personal property of a charitable nonprofit housing organization that is used for a retail store operated by that charitable nonprofit housing organization and that is engaged exclusively in the sale of donated items suitable for residential housing purposes, the proceeds of which are used for the purposes of the charitable nonprofit

housing organization, is exempt from the collection of taxes levied under this act. As used in this section:

(a) "Charitable nonprofit housing organization" means an organization that is not operated for profit and that is exempt from federal income tax under section 501(c)(3) of the internal revenue code, 26 USC 501, the primary purpose of which is the construction or renovation of residential housing for conveyance to a low-income person.

(b) "Family income" and "statewide median gross income" mean those terms as defined in section 11 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1411.

(c) "Low-income person" means a person with a family income of not more than 60% of the statewide median gross income who is eligible to participate in the charitable nonprofit housing organization's program based on criteria established by the charitable nonprofit housing organization.