

HOUSE BILL No. 4016

January 22, 2009, Introduced by Rep. Opsommer and referred to the Committee on Energy and Technology.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
(MCL 208.1101 to 208.1601) by adding section 461.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 461. (1) A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX
2 IMPOSED BY THIS ACT EQUAL TO THE COST OF PURCHASING, LEASING, OR
3 CONSTRUCTING CARBON DIOXIDE CAPTURE MACHINERY, EQUIPMENT, OR
4 PIPELINE INFRASTRUCTURE AND THE COST OF MATERIALS USED IN
5 PREPARING, MAINTAINING, OR CAPPING A CARBON DIOXIDE INJECTION WELL
6 INCURRED DURING THE TAX YEAR FOR WHICH THE CREDIT UNDER THIS
7 SECTION IS CLAIMED.

8 (2) A TAXPAYER THAT CLAIMS THE CREDIT UNDER THIS SECTION SHALL
9 VERIFY ON A FORM AS PROVIDED BY THE DEPARTMENT OR IN A FORMAT AS
10 PRESCRIBED BY THE DEPARTMENT THAT THE ACTUAL EXPENSES INCURRED FOR
11 PURCHASING, LEASING, OR CONSTRUCTING CARBON DIOXIDE CAPTURE

1 MACHINERY, EQUIPMENT, OR PIPELINE INFRASTRUCTURE AND PREPARING,
2 MAINTAINING, OR CAPPING A CARBON DIOXIDE INJECTION WELL ARE THE
3 SAME COSTS CLAIMED AND USED TO CALCULATE THE CREDIT UNDER THIS
4 SECTION. THE TAXPAYER SHALL ATTACH THE VERIFICATION TO ITS ANNUAL
5 RETURN UNDER THIS ACT FOR THE TAX YEAR IN WHICH THE CREDIT UNDER
6 THIS SECTION IS CLAIMED.

7 (3) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION AND
8 ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS SECTION
9 EXCEEDS MORE THAN 50% OF THE TAX LIABILITY OF THE TAXPAYER FOR THE
10 TAX YEAR, THAT PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY
11 BY MORE THAN 50% SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD
12 FOR 1 YEAR ONLY TO OFFSET TAX LIABILITY IN THE NEXT TAX YEAR.

13 (4) AS USED IN THIS SECTION:

14 (A) "CARBON DIOXIDE CAPTURE MACHINERY, EQUIPMENT, OR PIPELINE
15 INFRASTRUCTURE" MEANS A CARBON DIOXIDE INJECTION WELL AND ANY OTHER
16 MACHINERY, EQUIPMENT, OR PIPELINE INFRASTRUCTURE USED TO CAPTURE,
17 STORE, OR TRANSPORT CARBON DIOXIDE CAPTURED FROM ELECTRIC POWER
18 GENERATION OR FROM INDUSTRIAL AND OTHER ANTHROPOGENIC SOURCES FOR
19 THE PURPOSE OF CARBON SEQUESTRATION WITH OR WITHOUT ENHANCED OIL,
20 GAS, OR OTHER HYDROCARBON RECOVERY.

21 (B) "CARBON DIOXIDE INJECTION WELL" MEANS A WELL USED FOR
22 INJECTION OF CARBON DIOXIDE INTO GEOLOGIC FORMATIONS FOR PERMANENT
23 STORAGE OR A WELL REGULATED UNDER PART 615 OF THE NATURAL RESOURCES
24 AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.61501 TO
25 324.61527, IN WHICH CARBON DIOXIDE IS INJECTED FOR THE PURPOSE OF
26 ENHANCING THE RECOVERY OF OIL, GAS, OR OTHER HYDROCARBON.