

HOUSE BILL No. 4286

February 17, 2011, Introduced by Rep. Rendon and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
(MCL 208.1101 to 208.1601) by adding section 454.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 454. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2010, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS
3 ACT EQUAL TO 50% OF THE TOTAL COST FOR THE CONSTRUCTION OF A GREEN
4 BUILDING OR THE REHABILITATION OF A BUILDING INTO A GREEN BUILDING
5 AND THE EXPENSES INCURRED TO OBTAIN LEED CERTIFICATION OR
6 \$50,000.00, WHICHEVER IS LESS. TO QUALIFY FOR THE CREDIT UNDER THIS
7 SECTION, THE TAXPAYER SHALL APPLY FOR AND EARN LEED CERTIFICATION
8 FOR THE GREEN BUILDING FOR WHICH THE TAXPAYER IS CLAIMING THE
9 CREDIT. THE TAXPAYER SHALL ATTACH PROOF OF THE LEED CERTIFICATION
10 BY THE USGBC THAT THE BUILDING FOR WHICH THE CREDIT IS CLAIMED IS

1 LEED CERTIFIED TO THE ANNUAL RETURN ON WHICH A CREDIT UNDER THIS
2 SECTION IS CLAIMED.

3 (2) IF A TAXPAYER PURCHASES AND INSTALLS AN ELIGIBLE ELECTRIC
4 GENERATOR THAT INTERCONNECTS WITH THE GRID AND IF THE TAXPAYER
5 PARTICIPATES IN A NET METERING PROGRAM OFFERED BY AN ELECTRIC
6 UTILITY, THE TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY
7 THIS ACT EQUAL TO 20% OF THE TOTAL EXPENSES INCURRED TO PURCHASE
8 AND INSTALL THE ELIGIBLE ELECTRIC GENERATOR AND ANY OTHER EQUIPMENT
9 OR EXPENSES NECESSARY TO INTERCONNECT WITH THE GRID DURING THE TAX
10 YEAR, INCLUDING ANY UTILITY CHARGES INCURRED TO PARTICIPATE IN THE
11 NET METERING PROGRAM.

12 (3) THE DEPARTMENT MAY REQUIRE REASONABLE PROOF FROM THE
13 TAXPAYER IN SUPPORT OF THE COSTS AND EXPENSES CLAIMED UNDER THIS
14 SECTION.

15 (4) IF THE AMOUNT OF THE CREDITS ALLOWED UNDER THIS SECTION
16 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT
17 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL NOT BE
18 REFUNDED BUT MAY BE CARRIED FORWARD FOR 1 YEAR ONLY.

19 (5) AS USED IN THIS SECTION:

20 (A) "BIOMASS" MEANS AGRICULTURAL CROPS AND ORGANIC WASTE,
21 WASTE TO ENERGY, AND LANDFILL GAS. BIOMASS FUELED SYSTEMS SHALL BE
22 ALLOWED TO BLEND UP TO 25% FOSSIL FUEL AS NEEDED TO ENSURE SAFE,
23 ENVIRONMENTALLY SOUND SYSTEM OPERATION.

24 (B) "ELECTRIC UTILITY" MEANS A PERSON, PARTNERSHIP,
25 CORPORATION, ASSOCIATION, OR OTHER LEGAL ENTITY WHOSE TRANSMISSION
26 OR DISTRIBUTION OF ELECTRICITY THE COMMISSION REGULATES UNDER 1909
27 PA 106, MCL 460.551 TO 460.559, OR 1939 PA 3, MCL 460.1 TO 460.11.

1 ELECTRIC UTILITY ALSO INCLUDES A MUNICIPAL UTILITY.

2 (C) "ELIGIBLE BUILDING" MEANS A BUILDING LOCATED IN THIS STATE
3 THAT IS ANY OF THE FOLLOWING:

4 (i) A RESIDENTIAL MULTIFAMILY BUILDING WITH AT LEAST 4
5 HABITABLE STORIES THAT CONTAIN AT LEAST 10,000 SQUARE FEET OF
6 SPACE.

7 (ii) ONE OR MORE RESIDENTIAL MULTIFAMILY BUILDINGS WITH AT
8 LEAST 4 HABITABLE STORIES THAT ARE PART OF A SINGLE OR PHASED
9 CONSTRUCTION PROJECT THAT CONTAINS, IN THE AGGREGATE, AT LEAST
10 20,000 SQUARE FEET OF INTERIOR SPACE, PROVIDED THAT, IN ANY SINGLE
11 PHASE OF SUCH PROJECT, AT LEAST 10,000 SQUARE FEET OF INTERIOR
12 SPACE IS UNDER CONSTRUCTION OR REHABILITATION.

13 (iii) A BUILDING USED FOR COMMERCIAL OR INDUSTRIAL PURPOSES.

14 (iv) ANY COMBINATION OF BUILDINGS DESCRIBED UNDER THIS
15 SUBDIVISION.

16 (D) "ELIGIBLE ELECTRIC GENERATOR" MEANS A SYSTEM FOR THE
17 GENERATION OF ELECTRICITY THAT IS FUELED BY A RENEWABLE FUEL OR A
18 FUEL CELL. AN ELIGIBLE ELECTRIC GENERATOR SHALL NOT EXCEED 150
19 KILOWATTS UNLESS APPROVED BY THE MICHIGAN PUBLIC SERVICE COMMISSION
20 IN CONSULTATION WITH POTENTIALLY AFFECTED ELECTRIC UTILITIES.

21 (E) "GREEN BUILDING" MEANS AN ELIGIBLE BUILDING THAT IS
22 DESIGNED TO ACHIEVE INTEGRATED SYSTEMS DESIGN AND CONSTRUCTION SO
23 AS TO SIGNIFICANTLY REDUCE OR ELIMINATE THE NEGATIVE IMPACT OF THE
24 BUILT ENVIRONMENT ON THE FOLLOWING:

25 (i) SITE CONSERVATION AND SUSTAINABLE PLANNING.

26 (ii) WATER CONSERVATION AND EFFICIENCY.

27 (iii) ENERGY EFFICIENCY AND RENEWABLE ENERGY.

1 (iv) CONSERVATION OF MATERIALS AND RESOURCES.

2 (v) INDOOR ENVIRONMENTAL QUALITY AND HUMAN HEALTH.

3 (F) "LEED CERTIFICATION" MEANS THE CERTIFICATION AWARDED BY
4 THE USGBC BASED ON THE MOST CURRENT LEADERSHIP IN ENERGY AND
5 ENVIRONMENTAL DESIGN GREEN BUILDING RATING SYSTEM DEVELOPED AND
6 ADOPTED BY THE USGBC FOR NEW BUILDINGS AND MAJOR RENOVATIONS.

7 (G) "RENEWABLE FUEL" MEANS SOLAR, WIND, OR BIOMASS.

8 (H) "USGBC" MEANS THE UNITED STATES GREEN BUILDING COUNCIL
9 THAT MEASURES AND EVALUATES THE ENERGY AND ENVIRONMENTAL
10 PERFORMANCE OF A BUILDING ACCORDING TO ITS OWN LEADERSHIP IN ENERGY
11 AND ENVIRONMENTAL DESIGN (LEED) RATING SYSTEM.