

HOUSE BILL No. 4572

May 12, 2015, Introduced by Rep. Nesbitt and referred to the Committee on Government Operations.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
by amending section 413 (MCL 208.1413), as amended by 2011 PA 316.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 413. (1) Subject to subsection (2), a taxpayer may claim
2 a credit against the tax imposed by this act equal to the
3 following:

4 (a) For property taxes levied after December 31, 2007, 35% of
5 the amount paid for property taxes on eligible personal property in
6 the tax year.

7 (b) Twenty-three percent of the amount paid for property taxes
8 levied on eligible telephone personal property in the 2008 tax year
9 and 13.5% of the amount paid for property taxes levied on eligible

1 telephone personal property in subsequent tax years.

2 (c) For property taxes levied after December 31, 2007, 10% of
3 the amount paid for property taxes on eligible natural gas pipeline
4 property in the tax year.

5 (2) To qualify for the credit under subsection (1), the
6 taxpayer shall file, if applicable, within the time prescribed each
7 of the following:

8 (a) The statement of assessable personal property prepared
9 pursuant to section 19 of the general property tax act, 1893 PA
10 206, MCL 211.19, identifying the eligible personal property or
11 eligible natural gas pipeline property, or both, for which the
12 credit under subsection (1) is claimed.

13 (b) The annual report filed under section 6 of 1905 PA 282,
14 MCL 207.6, identifying the eligible telephone personal property for
15 which the credit under subsection (1) is claimed.

16 (c) The assessment or bill issued to and paid by the taxpayer
17 for the eligible personal property, eligible natural gas pipeline
18 property, or eligible telephone property for which the credit under
19 subsection (1) is claimed.

20 (3) If the amount of the credit allowed under this section
21 exceeds the tax liability of the taxpayer for the tax year, that
22 excess shall be refunded.

23 (4) As used in this section:

24 (a) "Eligible natural gas pipeline property" means natural gas
25 pipelines that are classified as utility personal property under
26 section 34c of the general property tax act, 1893 PA 206, MCL
27 211.34c, and are subject to regulation under the natural gas act,

1 15 USC 717 to 717z.

2 (b) "Eligible personal property" means the following:

3 (i) Except as otherwise provided in subparagraph (ii), personal
4 property that is classified as industrial personal property under
5 section 34c of the general property tax act, 1893 PA 206, MCL
6 211.34c, or in the case of personal property that is subject to
7 1974 PA 198, MCL 207.551 to 207.572, is situated on land classified
8 as industrial real property under section 34c of the general
9 property tax act, 1893 PA 206, MCL 211.34c.

10 (ii) Beginning December 31, 2011, eligible personal property
11 does not include a turbine powered by gas, steam, nuclear energy,
12 coal, or oil the primary purpose of which is the generation of
13 electricity for sale.

14 (c) "Eligible telephone personal property" means personal
15 property of a telephone company subject to the tax levied under
16 1905 PA 282, MCL 207.1 to 207.21.

17 (d) "Property taxes" means any of the following:

18 (i) Taxes collected under the general property tax act, 1893 PA
19 206, MCL 211.1 to 211.155.

20 (ii) Taxes levied under 1974 PA 198, MCL 207.551 to 207.572.

21 (iii) Taxes levied under the obsolete property rehabilitation
22 act, 2000 PA 146, MCL 125.2781 to 125.2797.

23 (iv) Taxes levied under 1905 PA 282, MCL 207.1 to 207.21.

24 **(E) "TURBINE" MEANS ALL PERSONAL PROPERTY, INCLUDING, BUT NOT**
25 **LIMITED TO, THE TURBINE, FUEL, AIR, LUBRICATION, AND EXHAUST GAS**
26 **SYSTEMS, CONTROL SYSTEMS EXCEPT EMISSIONS CONTROL SYSTEMS,**
27 **GENERATORS, HEAT RECOVERY SYSTEMS, AND ANY ANCILLARY COMPONENTS AND**

1 SUBCOMPONENTS COMPRISING ANY SIMPLE CYCLE COMBUSTION
2 TURBOGENERATOR, ANY REGENERATIVE OR RECUPERATIVE CYCLE COMBUSTION
3 TURBOGENERATOR, THE COMBUSTION TURBOGENERATOR PORTION OF ANY
4 COGENERATION CYCLE COMBUSTION SYSTEM, OR THE COMBUSTION
5 TURBOGENERATOR PORTION OF ANY COMBINED CYCLE STEAM OR ELECTRIC
6 GENERATING SYSTEM, AND ANY OTHER PERSONAL PROPERTY THAT CONTAINS
7 THE TURBINE PROPERTY OR THAT IS NECESSARY FOR THE INSTALLATION OF
8 THE TURBINE PROPERTY.