

HOUSE BILL No. 4748

May 6, 1997, Introduced by Rep. Griffin and referred to the Committee on Tax Policy.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
(MCL 208.1 to 208.145) by adding section 37e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 37E. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 1996 AND BEGIN BEFORE JANUARY 1, 2000, A QUALIFIED TAXPAYER MAY
3 CLAIM A CREDIT EQUAL TO 50% OF THE COST PAID FOR THE USE OF RECY-
4 CLED MATERIALS AS FEEDSTOCK IN THE MANUFACTURING PROCESS IN
5 EXCESS OF THE COST THAT WOULD HAVE BEEN INCURRED IF VIRGIN MATE-
6 RIALS HAD BEEN USED AS FEEDSTOCK. THE CREDIT ALLOWED UNDER THIS
7 SECTION IS FOR RECYCLED MATERIALS GENERATED AND PROCESSED IN THIS
8 STATE BY THE TAXPAYER IN THE TAX YEAR FOR A PURPOSE THAT IS NOT
9 FOR ENERGY RECOVERY OR INCINERATION AND SHALL NOT EXCEED 50% OF
10 THE COST DIFFERENTIAL FOR THE RECYCLED MATERIALS.

1 (2) A TAXPAYER SHALL APPLY TO THE DEPARTMENT OF
2 ENVIRONMENTAL QUALITY FOR CERTIFICATION OF THE AMOUNT AND
3 ELIGIBILITY OF RECYCLED MATERIALS PROCESSED. THE DEPARTMENT OF
4 ENVIRONMENTAL QUALITY SHALL SUBMIT A COPY OF EACH CERTIFICATION
5 GRANTED TO THE DEPARTMENT OF TREASURY. A COPY OF THE CERTIFICA-
6 TION AND A STATEMENT THAT THE RECYCLED MATERIALS PROCESSED WERE
7 GENERATED EXCLUSIVELY IN THIS STATE SHALL BE INCLUDED WITH THE
8 TAX RETURN FOR THE TAX YEAR IN WHICH A TAXPAYER CLAIMS THE CREDIT
9 UNDER THIS SECTION.

10 (3) THE DEPARTMENT OF ENVIRONMENTAL QUALITY AND THE DEPART-
11 MENT OF TREASURY SHALL PROMULGATE RULES PURSUANT TO THE ADMINIS-
12 TRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO
13 24.328, TO IMPLEMENT THIS SECTION THAT ESTABLISH THE TECHNICAL
14 SPECIFICATIONS AND CERTIFICATION REQUIREMENTS FOR QUALIFICATION
15 OF RECYCLED MATERIALS.

16 (4) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX
17 YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED UNDER THIS
18 SECTION EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR,
19 THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR
20 SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX
21 LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP,
22 WHICHEVER OCCURS FIRST.

23 (5) BEFORE FEBRUARY 1 OF EACH CALENDAR YEAR, THE DIRECTOR OF
24 THE DEPARTMENT OF ENVIRONMENTAL QUALITY SHALL SUBMIT A REPORT TO
25 THE GOVERNOR, THE STATE TREASURER, AND THE LEGISLATURE THAT
26 INCLUDES THE NUMBER OF CERTIFICATIONS GRANTED DURING THE

1 IMMEDIATELY PRECEDING CALENDAR YEAR AND THE AMOUNT OF RECYCLED
2 MATERIALS PROCESSED BY QUALIFIED TAXPAYERS.

3 (6) AS USED IN THIS SECTION:

4 (A) "COST DIFFERENTIAL" MEANS THE STATEWIDE AVERAGE PRICE
5 DIFFERENTIAL FOR A SPECIFIC RECYCLED MATERIAL AS DETERMINED ANNU-
6 ALLY BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY.

7 (B) "QUALIFIED TAXPAYER" MEANS A TAXPAYER THAT HAS APPLIED
8 TO THE DEPARTMENT OF ENVIRONMENTAL QUALITY AND BEEN GRANTED A
9 CERTIFICATION OF THE AMOUNT AND ELIGIBILITY OF RECYCLED MATERIALS
10 PROCESSED FOR THE TAX YEAR.

11 (C) "RECYCLED MATERIALS" MEANS ALL OF THE FOLLOWING:

12 (i) GREEN AND AMBER GLASS.

13 (ii) TIRES.

14 (iii) COATED PAPER INCLUDING, BUT NOT LIMITED TO, WAXED
15 CARDBOARD, MILK CARTONS, FAST-FOOD PAPER CONTAINERS, AND OTHER
16 PAPER WITH A SLICK COATING.

17 (iv) BUILDING CONSTRUCTION AND DEMOLITION WASTE INCLUDING,
18 BUT NOT LIMITED TO, WOOD, DRYWALL, MASONRY, AND OTHER ITEMS AND
19 MATERIALS ASSOCIATED WITH THE CONSTRUCTION AND DEMOLITION OF
20 BUILDINGS.