

HOUSE BILL No. 5742

February 22, 2006, Introduced by Reps. Kolb, Miller, Kathleen Law, Tobocman, Condino, Zelenko, Accavitti, Lipsey and Plakas and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 272.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 272. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2006, A TAXPAYER THAT OWNS QUALIFIED PROPERTY AND ENTERS INTO A
3 LEASE OF THAT QUALIFIED PROPERTY AFTER DECEMBER 31, 2006 WITH
4 ANOTHER PERSON WHO INSTALLS A PHOTOVOLTAIC SYSTEM OR WIND TURBINE
5 SYSTEM THAT GENERATES ELECTRICITY ON THAT QUALIFIED PROPERTY MAY
6 CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO THE
7 LEASE PAYMENT AMOUNT RECEIVED BY THE TAXPAYER FOR THE TAX YEAR.

8 (2) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
9 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT
10 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE

1 REFUNDED TO THE TAXPAYER.

2 (3) FOR PURPOSES OF THIS ACT, LEASED PAYMENTS UNDER THIS
3 SECTION SHALL NOT BE CONSIDERED ROYALTIES.

4 (4) AS USED IN THIS SECTION:

5 (A) "PHOTOVOLTAIC CELL" MEANS AN INTEGRATED DEVICE CONSISTING
6 OF LAYERS OF SEMICONDUCTOR MATERIALS AND ELECTRIC CONTACTS CAPABLE
7 OF CONVERTING INCIDENT LIGHT DIRECTLY INTO ELECTRICITY.

8 (B) "PHOTOVOLTAIC MODULE" MEANS AN ASSEMBLY OF INTERCONNECTED
9 PHOTOVOLTAIC CELLS.

10 (C) "PHOTOVOLTAIC SYSTEM" MEANS A SOLAR ENERGY DEVICE COMPOSED
11 OF 1 OR MORE PHOTOVOLTAIC CELLS OR PHOTOVOLTAIC MODULES, AN
12 INVERTER OR OTHER POWER CONDITIONING UNIT DESIGNED TO DELIVER POWER
13 OF A SELECTED CURRENT AND VOLTAGE, WIRES, AND OTHER ELECTRICAL
14 CONNECTORS. BATTERIES FOR POWER STORAGE MAY ALSO BE INCLUDED IN A
15 PHOTOVOLTAIC SYSTEM.

16 (D) "QUALIFIED PROPERTY" MEANS PROPERTY THAT HAS NOT BEEN
17 LEASED FOR THE PURPOSE DESCRIBED UNDER SUBSECTION (1) BEFORE IT IS
18 LEASED FOR PURPOSES OF THE CREDIT UNDER THIS SECTION.

19 (E) "WIND TURBINE SYSTEM" MEANS A COMPONENT OF AN ENERGY
20 CONVERSION DEVICE THAT CONVERTS THE ENERGY PRESENT IN THE WIND INTO
21 ELECTRICAL ENERGY.