

HOUSE BILL No. 4765

May 16, 2007, Introduced by Reps. Mayes, Byrum, Valentine, Espinoza, Angerer, Constan, Spade, Sheltroun, Huizenga and Rick Jones and referred to the Committee on Agriculture.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 273a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 273A. (1) FOR TAX YEARS THAT BEGIN ON AND AFTER JANUARY
2 1, 2007, A TAXPAYER THAT IS ENGAGED IN RESEARCH AND DEVELOPMENT OF
3 A BIOBASED TECHNOLOGY, BIOPRODUCTS, BIOFUELS, OR BIOENERGY MAY
4 CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 10% OF
5 THE COMPENSATION AS DEFINED IN SECTION 6 FOR SERVICES PERFORMED IN
6 A QUALIFIED FACILITY OR PAID TO THE EMPLOYEES AT THE QUALIFIED
7 FACILITY IN THE TAX YEAR. THE MAXIMUM AMOUNT OF THE CREDIT ALLOWED
8 UNDER THIS SECTION THAT ANY 1 TAXPAYER MAY CLAIM SHALL NOT EXCEED
9 \$500,000.00 IN A SINGLE TAX YEAR.

10 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX

1 LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT PORTION THAT
2 EXCEEDS THE TAX LIABILITY SHALL NOT BE REFUNDED.

3 (3) AS USED IN THIS SECTION:

4 (A) "BIOBASED TECHNOLOGY" MEANS ANY TECHNOLOGY THAT
5 FACILITATES THE CULTIVATION, HARVEST, PREPARATION, DECONSTRUCTION,
6 TREATMENT, FILTERING, PROCESSING, OR CONVERSION OF BIOMASS INTO
7 BIOFUELS, BIOENERGY, OR BIOPRODUCTS IN AN ENVIRONMENTALLY SOUND AND
8 ECONOMICALLY FEASIBLE MANNER.

9 (B) "BIOENERGY" MEANS HEAT OR ELECTRICITY PRODUCED FROM THE
10 THERMAL, MECHANICAL, OR BIOLOGICAL PROCESSING OF BIOMASS. BIOENERGY
11 DOES NOT INCLUDE HEAT OR ELECTRICITY PRODUCED FROM THE DIRECT
12 COMBUSTION OF BIOMASS.

13 (C) "BIOFUELS" MEANS ETHANOL, BIODIESEL, BUTANOL, OR OTHER
14 LIQUID FUELS PRODUCED FROM BIOMASS.

15 (D) "BIOMASS" MEANS ANY ORGANIC MATTER THAT IS AVAILABLE ON A
16 RENEWABLE OR RECURRING BASIS, INCLUDING, BUT NOT LIMITED TO,
17 AGRICULTURAL CROPS, CERTAIN TREES AND GRASSES, PLANTS, WOOD
18 RESIDUES, FOREST INDUSTRY RESIDUES, FOOD PROCESSING WASTES,
19 MUNICIPAL SOLID WASTES, AND AGRICULTURAL RESIDUES AND WASTES SUCH
20 AS CORNSTALKS, CORNCOBS, AND MANURE.

21 (E) "BIOPRODUCTS" MEANS INDUSTRIAL, COMMERCIAL, OR CONSUMER
22 PRODUCTS MADE WITH, OR COMPOSED IN WHOLE OR IN SIGNIFICANT PART OF,
23 FIBERS; SOLID, LIQUID, OR GASEOUS CHEMICALS; PROTEINS;
24 CARBOHYDRATES; LIPIDS; MINERALS; OR ANY OTHER SUBSTANCE PRODUCED
25 FROM BIOMASS.

26 (F) "QUALIFIED FACILITY" MEANS A FACILITY OWNED, LEASED, OR
27 OPERATED BY THE TAXPAYER AND USED FOR THE RESEARCH AND DEVELOPMENT

1 OF BIOBASED TECHNOLOGY, BIOPRODUCTS, BIOFUELS, OR BIOENERGY.

2 (G) "RESEARCH AND DEVELOPMENT" MEANS "QUALIFIED RESEARCH" AS

3 THAT TERM IS DEFINED IN SECTION 41(D) OF THE INTERNAL REVENUE CODE.