

HOUSE BILL No. 6417

September 10, 2008, Introduced by Reps. Hoogendyk, Agema, Garfield and Pastor 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 450b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 450B. (1) FOR THE 2009 TAX YEAR AND EACH TAX YEAR AFTER
2 2009, A TAXPAYER THAT IS ENGAGED IN THE RESEARCH AND DEVELOPMENT OF
3 ANY DEVICE THAT WILL IMPROVE GASOLINE FUEL EFFICIENCY IN ANY
4 AUTOMOTIVE APPLICATION BY 30% OR MORE MAY CLAIM A CREDIT AGAINST
5 THE TAX IMPOSED BY THIS ACT EQUAL TO THAT TAXPAYER'S QUALIFIED
6 RESEARCH EXPENSES IN THIS STATE IN THE TAX YEAR.

7 (2) THE CREDIT ALLOWED UNDER THIS SECTION MAY ONLY BE CLAIMED
8 FOR 5 TAX YEARS, BEGINNING WITH THE FIRST TAX YEAR FOR WHICH A
9 CREDIT WAS CLAIMED UNDER THIS SECTION.

1 (3) IF THE CREDIT ALLOWED UNDER THIS SUBSECTION EXCEEDS THE
2 LIABILITY OF THE QUALIFIED TAXPAYER FOR THE TAX YEAR, THE QUALIFIED
3 TAXPAYER MAY ELECT TO HAVE THAT PORTION THAT EXCEEDS THE TAX
4 LIABILITY OF THE QUALIFIED TAXPAYER REFUNDED OR TO HAVE THE EXCESS
5 CARRIED FORWARD TO OFFSET TAX LIABILITY IN SUBSEQUENT YEARS FOR 5
6 YEARS OR UNTIL IT IS USED UP, WHICHEVER OCCURS FIRST.

7 (4) A TAXPAYER THAT CLAIMS A CREDIT UNDER THIS SECTION IS NOT
8 PROHIBITED FROM CLAIMING A CREDIT UNDER SECTION 405 OR 450.
9 HOWEVER, THE TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION
10 AND SECTIONS 405 AND 450 BASED ON THE SAME RESEARCH AND
11 DEVELOPMENT.

12 (5) AS USED IN THIS SECTION, "QUALIFIED RESEARCH EXPENSES"
13 MEANS THAT TERM AS DEFINED IN SECTION 41(B) OF THE INTERNAL REVENUE
14 CODE.