

SENATE BILL No. 1659

December 2, 2008, Introduced by Senator BROWN and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 278.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 278. (1) A QUALIFIED TAXPAYER THAT HAS A PREAPPROVAL
2 LETTER ISSUED AFTER DECEMBER 31, 2008 AND BEFORE JANUARY 1, 2013
3 MAY CLAIM A CREDIT THAT HAS BEEN APPROVED UNDER THIS SECTION
4 AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO EITHER OF THE
5 FOLLOWING:

6 (A) IF THE MICHIGAN DEPARTMENT OF AGRICULTURE DETERMINES THAT
7 THE QUALIFIED TAXPAYER'S BEEF OR DAIRY FARM IS LOCATED IN A COUNTY
8 WITHIN A MODIFIED ACCREDITED ZONE THAT AS OF DECEMBER 31, 2007 HAS
9 MORE THAN 10 FREE-RANGING CERVIDS THAT HAVE TESTED POSITIVE FOR

1 BOVINE TUBERCULOSIS SINCE JANUARY 1, 1995, 100% OF THE QUALIFIED
2 TAXPAYER'S INVESTMENT PAID OR ACCRUED BY THE QUALIFIED TAXPAYER ON
3 PROJECTS COMPLETED IN ACCORDANCE WITH THE QUALIFIED TAXPAYER'S
4 WILDLIFE RISK MITIGATION ACTION PLAN PROVIDED THAT THE INVESTMENTS
5 DO NOT EXCEED THE AMOUNT STATED IN THE PREAPPROVAL LETTER.

6 (B) IF THE MICHIGAN DEPARTMENT OF AGRICULTURE DETERMINES THAT
7 THE QUALIFIED TAXPAYER'S BEEF OR DAIRY FARM IS LOCATED IN A
8 MODIFIED ACCREDITED ZONE OTHER THAN WITHIN A COUNTY DESCRIBED UNDER
9 SUBDIVISION (A), 50% OF THE QUALIFIED TAXPAYER'S INVESTMENT PAID OR
10 ACCRUED BY THE QUALIFIED TAXPAYER ON PROJECTS COMPLETED IN
11 ACCORDANCE WITH THE QUALIFIED TAXPAYER'S WILDLIFE RISK MITIGATION
12 ACTION PLAN PROVIDED THAT THE INVESTMENTS DO NOT EXCEED THE AMOUNT
13 STATED IN THE PREAPPROVAL LETTER.

14 (2) THE QUALIFIED TAXPAYER SHALL APPLY TO THE MICHIGAN
15 DEPARTMENT OF AGRICULTURE FOR APPROVAL OF THE WILDLIFE RISK
16 MITIGATION ACTION PLAN. THE MICHIGAN DEPARTMENT OF AGRICULTURE IS
17 AUTHORIZED TO APPROVE AN APPLICATION OR PROJECT UNDER THIS
18 SUBSECTION. A PLAN OR PROJECT SHALL BE APPROVED OR DENIED NOT MORE
19 THAN 60 DAYS AFTER RECEIPT OF THE APPLICATION. IF THE MICHIGAN
20 DEPARTMENT OF AGRICULTURE APPROVES A PLAN OR A PROJECT UNDER THIS
21 SUBSECTION, THE MICHIGAN DEPARTMENT OF AGRICULTURE SHALL ISSUE A
22 PREAPPROVAL LETTER THAT STATES THAT THE TAXPAYER IS A QUALIFIED
23 TAXPAYER; THE MAXIMUM TOTAL INVESTMENT FOR EACH PROJECT INCLUDED IN
24 THE WILDLIFE RISK MITIGATION ACTION PLAN AND THE MAXIMUM TOTAL OF
25 ALL CREDITS FOR THE WILDLIFE RISK MITIGATION ACTION PLAN WHEN THE
26 PROJECT OR PROJECTS ARE COMPLETED AND A CERTIFICATE OF COMPLETION
27 IS ISSUED; AND THE WILDLIFE RISK MITIGATION ACTION PLAN NUMBER

1 ASSIGNED BY THE MICHIGAN DEPARTMENT OF AGRICULTURE. IF A PLAN OR
2 PROJECT IS DENIED UNDER THIS SUBSECTION, A TAXPAYER IS NOT
3 PROHIBITED FROM SUBSEQUENTLY APPLYING UNDER THIS SUBSECTION FOR
4 ANOTHER PLAN OR PROJECT. THE MICHIGAN DEPARTMENT OF AGRICULTURE
5 SHALL DEVELOP AND USE AN APPLICATION FORM FOR THE APPROVAL OF
6 WILDLIFE RISK MITIGATION ACTION PLANS AND PROJECTS UNDER THIS
7 SECTION.

8 (3) THE MICHIGAN DEPARTMENT OF AGRICULTURE SHALL CONSIDER THE
9 FOLLOWING ISSUES WHEN APPROVING A WILDLIFE RISK MITIGATION ACTION
10 PLAN OR PROJECT UNDER SUBSECTION (2) OR WHEN CONSIDERING AN
11 AMENDMENT TO A PLAN OR PROJECT UNDER SUBSECTION (5):

12 (A) HAVE LIVESTOCK ON THIS BEEF OR DAIRY FARM BEEN INFECTED
13 WITH TUBERCULOSIS WITHIN THE LAST 20 YEARS.

14 (B) HOW CLOSE IS THE NEAREST LIVESTOCK FARM THAT HAS BEEN
15 KNOWN TO BE TUBERCULOSIS INFECTED.

16 (C) ARE LIVESTOCK HOUSED IN BUILDINGS OR CONFINED AREAS.

17 (D) IF LIVESTOCK ARE PASTURED, DO THEY HAVE ACCESS TO
18 WOODLOTS, SWAMPS, OR OTHER GOOD DAYTIME DEER COVER.

19 (E) HOW CLOSE TO LIVESTOCK ARE THE NEAREST WOODLOTS, SWAMPS,
20 OR OTHER LAND THAT PROVIDE GOOD DAYTIME DEER COVER.

21 (F) HOW FREQUENTLY HAVE DEER BEEN SEEN OR EVIDENCE OF DEER
22 BEEN PRESENT IN AREAS WHERE LIVESTOCK ARE KEPT OR HOUSED.

23 (G) WHAT IS THE LIKELIHOOD OF FINDING BOVINE TUBERCULOSIS
24 INFECTED FREE RANGING WHITE-TAILED DEER IN THE AREA.

25 (H) ANY OTHER ISSUES THAT THE DEPARTMENT OF AGRICULTURE
26 CONSIDERS APPROPRIATE.

27 (4) A QUALIFIED TAXPAYER MAY APPLY FOR APPROVAL OF A PLAN OR

1 PROJECTS UNDER THIS SECTION FOR INVESTMENTS ON MORE THAN 1 BEEF OR
2 DAIRY FARM OWNED OR OPERATED BY THE TAXPAYER DURING THE TAX YEAR.
3 EACH PROJECT APPROVED AND EACH PROJECT FOR WHICH A CERTIFICATE OF
4 COMPLETION IS ISSUED UNDER THIS SECTION SHALL BE FOR AN INVESTMENT
5 MADE IN ACCORDANCE WITH THE QUALIFIED TAXPAYER'S WILDLIFE RISK
6 MITIGATION ACTION PLAN FOR THAT BEEF OR DAIRY FARM.

7 (5) IF, AFTER A TAXPAYER'S PLAN OR PROJECT HAS BEEN APPROVED
8 AND THE TAXPAYER HAS RECEIVED A PREAPPROVAL LETTER BUT BEFORE THE
9 TAXPAYER HAS MADE ANY INVESTMENT ON THE BEEF OR DAIRY FARM, THE
10 TAXPAYER DETERMINES THAT THE PLAN OR PROJECT CANNOT BE COMPLETED AS
11 PREAPPROVED, THE TAXPAYER MAY PETITION THE MICHIGAN DEPARTMENT OF
12 AGRICULTURE TO AMEND THE PLAN, THE PROJECTS, AND THE PREAPPROVAL
13 LETTER TO INCREASE THE MAXIMUM TOTAL OF ALL CREDITS FOR THE PLAN
14 AND THE PROJECTS INCLUDED IN THAT PLAN. A TAXPAYER MAY PETITION THE
15 MICHIGAN DEPARTMENT OF AGRICULTURE TO MAKE ANY OTHER AMENDMENTS TO
16 THE PLAN, PROJECTS, OR PREAPPROVAL LETTER AT ANY TIME BEFORE A
17 CERTIFICATE OF COMPLETION IS ISSUED.

18 (6) WHEN A PROJECT UNDER THIS SECTION IS COMPLETED, THE
19 TAXPAYER SHALL SUBMIT DOCUMENTATION THAT THE PROJECT IS COMPLETED,
20 AN ACCOUNTING OF THE COST OF THE PROJECT, THE INVESTMENT OF THE
21 TAXPAYER, AND, IF THE TAXPAYER IS NOT THE OWNER OR LESSEE OF THE
22 BEEF OR DAIRY FARM ON WHICH THE INVESTMENT WAS MADE AT THE TIME THE
23 PROJECT IS COMPLETED, THAT THE TAXPAYER WAS THE OWNER OR LESSEE OF,
24 OR WAS A PARTY TO AN AGREEMENT TO PURCHASE OR LEASE, THE BEEF OR
25 DAIRY FARM WHEN ALL INVESTMENTS OF THE TAXPAYER WERE MADE. THE
26 MICHIGAN DEPARTMENT OF AGRICULTURE, FOR PLANS AND PROJECTS APPROVED
27 UNDER SUBSECTION (2), SHALL VERIFY THAT THE PROJECT IS COMPLETED.

1 THE MICHIGAN DEPARTMENT OF AGRICULTURE SHALL CONDUCT AN ON-SITE
2 INSPECTION AS PART OF THE VERIFICATION PROCESS FOR PROJECTS
3 APPROVED UNDER SUBSECTION (2). WHEN THE COMPLETION OF THE PROJECT
4 IS VERIFIED, A CERTIFICATE OF COMPLETION SHALL BE ISSUED TO EACH
5 QUALIFIED TAXPAYER THAT HAS MADE AN INVESTMENT ON THAT BEEF OR
6 DAIRY FARM. THE CERTIFICATE OF COMPLETION SHALL STATE THE TOTAL
7 AMOUNT OF ALL CREDITS FOR THE PROJECT AND THAT TOTAL SHALL NOT
8 EXCEED THE MAXIMUM TOTAL OF ALL CREDITS LISTED IN THE PREAPPROVAL
9 LETTER FOR THE PROJECT UNDER SUBSECTION (2) AND AS AMENDED UNDER
10 SUBSECTION (5) AND SHALL STATE ALL OF THE FOLLOWING:

11 (A) THAT THE TAXPAYER IS A QUALIFIED TAXPAYER.

12 (B) THE TOTAL COST OF THE PROJECT AND THE INVESTMENT OF THE
13 QUALIFIED TAXPAYER.

14 (C) THE QUALIFIED TAXPAYER'S CREDIT AMOUNT.

15 (D) THE QUALIFIED TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION
16 NUMBER OR THE MICHIGAN TREASURY NUMBER ASSIGNED TO THE TAXPAYER.

17 (E) THE PROJECT NUMBER.

18 (7) A QUALIFIED TAXPAYER SHALL CLAIM CREDITS UNDER THIS
19 SECTION IN THE TAX YEAR IN WHICH THE CERTIFICATE OF COMPLETION IS
20 ISSUED. IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR
21 AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED UNDER THIS
22 SECTION EXCEED THE QUALIFIED TAXPAYER'S TAX LIABILITY FOR THE TAX
23 YEAR, THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR
24 SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX
25 LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP,
26 WHICHEVER OCCURS FIRST. EXCEPT AS OTHERWISE PROVIDED IN THIS
27 SUBSECTION, THE MAXIMUM TIME ALLOWED UNDER THE CARRYFORWARD

1 PROVISIONS UNDER THIS SUBSECTION BEGINS WITH THE TAX YEAR IN WHICH
2 THE CERTIFICATE OF COMPLETION IS ISSUED TO THE QUALIFIED TAXPAYER.

3 (8) AS USED IN THIS SECTION:

4 (A) "MODIFIED ACCREDITED ZONE" MEANS THOSE AREAS IDENTIFIED IN
5 THIS STATE UNDER 9 CFR 77.11, AS MODIFIED ACCREDITED ZONES.

6 (B) "PROJECT" MEANS THE TOTAL OF ALL INVESTMENTS ON THE
7 QUALIFIED TAXPAYER'S PROPERTY TO COMPLETE CERTAIN RISK MITIGATING
8 MEASURES INCLUDED IN THE QUALIFIED TAXPAYER'S WILDLIFE RISK
9 MITIGATION ACTION PLAN INCLUDING, BUT NOT LIMITED TO, THE
10 FOLLOWING:

11 (i) MAKING IT DIFFICULT FOR WILDLIFE TO ACCESS FEED BY STORING
12 LIVESTOCK FEED SECURELY, RESTRICTING WILDLIFE ACCESS TO FEEDING AND
13 WATERING AREAS, AND DETERRING OR REDUCING WILDLIFE PRESENCE AROUND
14 CATTLE AND CATTLE FEED BY STORING FEED IN AN ENCLOSED BARN,
15 WRAPPING BALES OR COVERING STACKS WITH TARPS, CLOSING ENDS OF AG-
16 BAGS, STORING GRAINS IN ANIMAL PROOF CONTAINERS OR BINS,
17 MAINTAINING FENCES, PRACTICING SMALL MAMMAL AND RODENT CONTROL, OR
18 FEEDING AWAY FROM DEER COVER.

19 (ii) MINIMIZING WILDLIFE ACCESS TO CATTLE FEED AND WATER BY
20 FEEDING CATTLE IN AN ENCLOSED AREA, FEEDING IN OPEN AREAS NEAR
21 BUILDINGS AND HUMAN ACTIVITY, REMOVING EXTRA OR WASTE FEED WHEN
22 CATTLE ARE MOVED, USING HAY FEEDERS TO REDUCE WASTE, USING
23 ARTIFICIAL WATER SYSTEMS TO HELP KEEP CATTLE FROM SHARING WATER
24 SOURCES WITH WILDLIFE, FENCING OFF STAGNANT PONDS AND WETLANDS, AND
25 KEEPING MINERAL FEEDERS NEAR BUILDINGS AND HUMAN ACTIVITY OR USING
26 DEVICES THAT RESTRICT DEER USAGE.

27 (C) "QUALIFIED TAXPAYER" MEANS A TAXPAYER THAT OWNS OR

1 OPERATES A BEEF OR DAIRY FARM LOCATED IN A MODIFIED ACCREDITED ZONE
2 AND THAT REGISTERED WITH THE MICHIGAN DEPARTMENT OF AGRICULTURE FOR
3 BOVINE TUBERCULOSIS TESTING AND RECEIVED A PREMISES IDENTIFICATION
4 NUMBER PRIOR TO SEPTEMBER 1, 2008.

5 (D) "WILDLIFE RISK MITIGATION ACTION PLAN" OR "PLAN" MEANS A
6 WRITTEN PLAN CONSISTING OF 1 OR MORE PROJECTS TO HELP REDUCE THE
7 RISKS OF BOVINE TUBERCULOSIS SPREADING BETWEEN WILDLIFE AND
8 LIVESTOCK THAT IS APPROVED BY THE MICHIGAN DEPARTMENT OF
9 AGRICULTURE UNDER SECTION 14 OF THE ANIMAL INDUSTRY ACT, 1988 PA
10 466, MCL 287.714.