

HOUSE BILL No. 4823

April 22, 2009, Introduced by Reps. Proos, Horn, Opsommer, Lori, Calley, Tyler, Bolger, Pearce, Schuitmaker and Griffin 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 278.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 278. (1) SUBJECT TO THE LIMITATION UNDER SUBSECTION (2),
2 FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2008 AND BEFORE JANUARY
3 1, 2019, A TAXPAYER THAT OWNS AND OPERATES A QUALIFIED AGRIBUSINESS
4 MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED UNDER THIS ACT EQUAL TO
5 15% OF THE QUALIFIED AGRIBUSINESS EXPENSES INCURRED BY THE TAXPAYER
6 DURING THE TAX YEAR.

7 (2) THE TOTAL OF ALL CREDITS ALLOWED UNDER THIS SECTION SHALL
8 NOT EXCEED \$1,000,000.00 PER CALENDAR YEAR.

9 (3) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR
10 AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS SECTION

1 EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION
2 THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT BE
3 REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY IN
4 SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP, WHICHEVER
5 OCCURS FIRST.

6 (4) THE DEPARTMENT OF AGRICULTURE MAY INSPECT AN AGRIBUSINESS
7 AT ANY TIME AND MAY REVOKE ITS DESIGNATION AS A QUALIFIED
8 AGRIBUSINESS IF THE TAXPAYER DOES NOT CONTINUE TO OPERATE THE
9 AGRIBUSINESS AS A QUALIFIED AGRIBUSINESS. IF THE DEPARTMENT OF
10 AGRICULTURE REVOKES THE TAXPAYER'S DESIGNATION AS A QUALIFIED
11 AGRIBUSINESS LESS THAN 5 YEARS AFTER THE YEAR IN WHICH A CREDIT WAS
12 CLAIMED UNDER THIS SECTION, THE FOLLOWING PERCENTAGE OF THE CREDIT
13 AMOUNT PREVIOUSLY CLAIMED RELATIVE TO THAT AGRIBUSINESS SHALL BE
14 ADDED BACK TO THE TAX LIABILITY OF THE TAXPAYER IN THE YEAR OF THE
15 REVOCATION:

16 (A) IF THE REVOCATION IS LESS THAN 1 YEAR AFTER THE YEAR IN
17 WHICH THE CREDIT WAS CLAIMED, 100%.

18 (B) IF THE REVOCATION IS AT LEAST 1 YEAR BUT LESS THAN 2 YEARS
19 AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 80%.

20 (C) IF THE REVOCATION IS AT LEAST 2 YEARS BUT LESS THAN 3
21 YEARS AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 60%.

22 (D) IF THE REVOCATION IS AT LEAST 3 YEARS BUT LESS THAN 4
23 YEARS AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 40%.

24 (E) IF THE REVOCATION IS AT LEAST 4 YEARS BUT LESS THAN 5
25 YEARS AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 20%.

26 (F) IF THE REVOCATION IS 5 YEARS OR MORE AFTER THE YEAR IN
27 WHICH THE CREDIT WAS CLAIMED, AN ADDBACK TO THE TAXPAYER'S TAX

1 LIABILITY SHALL NOT BE MADE.

2 (5) AS USED IN THIS SECTION:

3 (A) "ECO FRIENDLY" MEANS ENERGY EFFICIENT, WATER SAVING, OR
4 FEWER AIR EMISSIONS OR ANY COMBINATION THEREOF.

5 (B) "QUALIFIED AGRIBUSINESS" MEANS AN AGRIBUSINESS THAT IS
6 DESIGNATED BY THE DEPARTMENT OF AGRICULTURE AS QUALIFIED.

7 (C) "QUALIFIED AGRIBUSINESS EXPENSES" MEANS ANY EXPENSES
8 INCURRED OR PAID FOR THE PURCHASE OF ECO FRIENDLY EQUIPMENT,
9 MACHINERY, OR SYSTEMS THAT ARE DIRECTLY RELATED TO THE OPERATION OF
10 A QUALIFIED AGRIBUSINESS.