

HOUSE BILL No. 6047

November 28, 2012, Introduced by Rep. Ananich 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 206.713) by adding section 675.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 675. (1) A TAXPAYER THAT REEQUIPS, EXPANDS, OR
2 ESTABLISHES A MANUFACTURING FACILITY FOR THE PRODUCTION OF A
3 QUALIFYING BIOBASED PRODUCT IN THIS STATE MAY CLAIM A CREDIT
4 AGAINST THE TAX IMPOSED BY THIS PART EQUAL TO 30% OF THE COST OF
5 THE TAXPAYER'S QUALIFIED INVESTMENT PAID OR ACCRUED BY THE TAXPAYER
6 DURING THE TAX YEAR WITH RESPECT TO THAT QUALIFYING PROJECT.

7 (2) THE TOTAL AMOUNT OF THE CREDITS ALLOWED UNDER THIS SECTION
8 SHALL NOT EXCEED \$12,000,000.00.

9 (3) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION

1 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT
2 PORTION THAT EXCEEDS THE TAX LIABILITY OF THE TAXPAYER 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) AS USED IN THIS SECTION:

7 (A) "BIOBASED CONTENT" MEANS, WITH RESPECT TO ANY QUALIFYING
8 BIOBASED PRODUCT, THE AMOUNT OF CARBON FROM BIOLOGICAL SOURCES
9 CONTAINED IN SUCH PRODUCT AS DETERMINED BY THE TESTING OF PRODUCT
10 SAMPLES USING THE GENERALLY ACCEPTED METHODOLOGY OF THE AMERICAN
11 SOCIETY OF TESTING AND MATERIALS D6866.

12 (B) "ELIGIBLE PROPERTY" MEANS ANY TANGIBLE PERSONAL PROPERTY
13 OR OTHER TANGIBLE PROPERTY, BUT ONLY IF THE OTHER TANGIBLE PROPERTY
14 IS USED AS AN INTEGRAL PART OF THE QUALIFYING PROJECT, AND THE
15 PROPERTY IS NECESSARY FOR THE REEQUIPMENT, EXPANSION, OR
16 ESTABLISHMENT OF A MANUFACTURING FACILITY FOR THE PRODUCTION OF A
17 QUALIFYING BIOBASED PRODUCT AND SUBJECT TO DEPRECIATION.

18 (C) "QUALIFIED INVESTMENT" MEANS THE BASIS OF ELIGIBLE
19 PROPERTY PLACED IN SERVICE BY THE TAXPAYER DURING THE TAX YEAR
20 WHICH IS PART OF THE QUALIFYING PROJECT.

21 (D) "QUALIFYING BIOBASED PRODUCT" MEANS ANY PRODUCT, INCLUDING
22 A PRODUCT THAT MAY BE USED AS A PETROCHEMICAL ALTERNATIVE, THE
23 BIOBASED CONTENT OF WHICH IS NOT LESS THAN 25%. A QUALIFYING
24 BIOBASED PRODUCT DOES NOT INCLUDE ANY OF THE FOLLOWING:

25 (i) ANY PRODUCT WHICH IS SOLD OR USED AS FOOD, FEED, FUEL, OR
26 AN INGREDIENT THEREOF.

27 (ii) ANY PRODUCT WHICH IS PRIMARILY COMPOSED OF LIGNOCELLULOSIC

1 MATTER AND WHICH IS SOLD OR USED AS A PAPER OR WOOD PRODUCT, UNLESS
2 SUCH PRODUCT IS MANUFACTURED FROM EITHER OF THE FOLLOWING:

3 (A) WOOD FIBER HARVESTED FROM LANDS CERTIFIED AS WELL MANAGED
4 BY ANY FOREST MANAGEMENT CERTIFICATION PROGRAM APPROVED BY THE
5 FEDERAL GOVERNMENT.

6 (B) WOOD FIBER HARVESTED FROM FEDERAL PUBLIC LANDS, INCLUDING
7 NATIONAL FOREST SYSTEM AND BUREAU OF LAND MANAGEMENT LANDS, IN
8 ACCORDANCE WITH AN APPROVED LAND MANAGEMENT PROJECT AND A VALID
9 TIMBER SALE OR STEWARDSHIP CONTRACT.

10 (E) "QUALIFYING PROJECT" MEANS A PROJECT TO REEQUIP, EXPAND,
11 OR ESTABLISH A MANUFACTURING FACILITY FOR THE PRODUCTION OF A
12 QUALIFYING BIOBASED PRODUCT IN THIS STATE.