

HOUSE BILL NO. 4424

May 06, 2025, Introduced by Reps. Neyer, Kelly, Johnsen, Alexander, Mentzer, Borton, Kunse, Martin, BeGole, Beson, Miller, Wozniak, Roth, Schuette, Bierlein, Outman, Cavitt and VanderWall and referred to Committee on Transportation and Infrastructure.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.847) by adding section 678.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 678. (1) Except as otherwise provided under this section
2 and subject to the limitations under this section, for tax years
3 beginning on and after January 1, 2025, a qualified taxpayer may
4 claim a credit against the tax imposed by this part in an amount
5 equal to \$1.50 per gallon of sustainable aviation fuel that

1 satisfies both of the following:

2 (a) Is produced or blended in this state by the qualified
3 taxpayer.

4 (b) Is sold in this state during the tax year by the qualified
5 taxpayer to a purchaser that certifies that the sustainable
6 aviation fuel was purchased for use as fuel in an aircraft
7 departing from an airport in this state.

8 (2) Subject to the limitation under this subsection, the
9 amount of the credit per gallon of sustainable aviation fuel
10 allowed under subsection (1) increases by \$0.02 for each additional
11 1% reduction in life-cycle greenhouse gas emissions above 50%, as
12 determined in the same manner as provided under the sustainable
13 aviation fuel incentive program created under the sustainable
14 aviation fuel incentive program act. However, the maximum amount of
15 the credit per gallon of sustainable aviation fuel allowed under
16 this section must not exceed \$2.00 per gallon.

17 (3) To be eligible for a credit under this section, the
18 qualified taxpayer shall attach the certificate received under
19 section 5 of the sustainable aviation fuel incentive program act to
20 the annual return filed under this part on which a credit under
21 this section is claimed.

22 (4) If the amount of the credit allowed under this section
23 exceeds the qualified taxpayer's tax liability for the tax year,
24 that portion that exceeds the tax liability for the tax year must
25 be refunded.

26 (5) As used in this section:

27 (a) "Aviation fuel", "greenhouse gas", and "sustainable
28 aviation fuel" mean those terms as defined under section 3 of the
29 sustainable aviation fuel incentive program act.

1 (b) "Qualified taxpayer" means a taxpayer that is engaged in
2 the business of producing or blending sustainable aviation fuel in
3 this state and that has been issued a certificate under section 5
4 of the sustainable aviation fuel incentive program act.

5 Enacting section 1. This amendatory act does not take effect
6 unless Senate Bill No. ____ (request no. S01436'25) or House Bill
7 No. 4425 (request no. H01436'25) of the 103rd Legislature is
8 enacted into law.