

HOUSE BILL No. 6047

September 16, 1998, Introduced by Reps. Brackenridge and Profit and referred to the Committee on Tax Policy.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
(MCL 208.1 to 208.145) by adding section 39c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 39C. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 1998, A TAXPAYER MAY CLAIM A CREDIT EQUAL TO 20% OF THE AMOUNT
3 PAID IN THE TAX YEAR TO PURCHASE MACHINERY AND EQUIPMENT USED
4 EXCLUSIVELY IN OR ON THE PREMISES OF A MANUFACTURING FACILITY IN
5 THIS STATE THAT IS THE TAXPAYER'S PLACE OF BUSINESS AND THAT IS
6 USED TO MANUFACTURE, PROCESS, COMPOUND, OR PRODUCE ITEMS OF TAN-
7 GIBLE PERSONAL PROPERTY FROM RECYCLABLE MATERIALS FOR SALE.
8 (2) TO QUALIFY FOR THE CREDIT ALLOWED UNDER THIS SECTION,
9 THE TAXPAYER SHALL SUBMIT ALL OF THE FOLLOWING WITH THE ANNUAL
10 RETURN REQUIRED BY THIS ACT ON WHICH THE CREDIT IS CLAIMED:

1 (A) CERTIFICATION FROM THE DEPARTMENT OF ENVIRONMENTAL
2 QUALITY THAT THE MACHINERY AND EQUIPMENT PURCHASED ARE INTEGRAL
3 TO THE RECYCLING PROCESS.

4 (B) PURCHASE RECEIPTS, INVOICES, AND OTHER DOCUMENTATION OF
5 THE COST PAID FOR THE MACHINERY AND EQUIPMENT.

6 (3) THE AMOUNT ALLOWABLE AS A CREDIT UNDER THIS SECTION FOR
7 ANY TAX YEAR SHALL NOT EXCEED 5% OF THE TAX LIABILITY FOR THAT
8 YEAR AS DETERMINED WITHOUT REGARD TO THIS SECTION.

9 (4) AS USED IN THIS SECTION:

10 (A) "MANUFACTURING FACILITY" MEANS BUILDINGS AND STRUCTURES
11 THE PRIMARY PURPOSE OF WHICH IS EITHER OF THE FOLLOWING:

12 (i) THE MANUFACTURE OF GOODS OR MATERIALS OR THE PROCESSING
13 OF GOODS AND MATERIALS BY PHYSICAL OR CHEMICAL CHANGE.

14 (ii) THE PROVISION OF RESEARCH AND DEVELOPMENT LABORATORIES
15 OF COMPANIES WHETHER OR NOT THE COMPANY MANUFACTURES THE PRODUCTS
16 DEVELOPED FROM THEIR RESEARCH ACTIVITIES.

17 (B) "RECYCLABLE MATERIALS" MEANS ANY PRODUCT GENERATED BY A
18 TAXPAYER THAT HAS SERVED ITS INTENDED END USE AND THAT HAS BEEN
19 SEPARATED FROM SOLID WASTE FOR THE PURPOSE OF COLLECTION, MARKET-
20 ING, AND DISPOSITION AND THAT DOES NOT INCLUDE SECONDARY WASTE
21 MATERIAL OR DEMOLITION WASTE.

22 (C) "SECONDARY WASTE MATERIAL" MEANS WASTE MATERIAL GENER-
23 ATED AFTER THE COMPLETION OF A MANUFACTURING PROCESS.