

SENATE BILL No. 516

May 30, 2001, Introduced by Senators KOIVISTO, NORTH, DINGELL, MC MANUS, GOSCHKA, PETERS, BYRUM, BULLARD and MILLER and referred to the Committee on Finance.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 39D. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2000, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY
3 THIS ACT EQUAL TO \$1.00 PER LONG TON OF QUALIFIED LOW-GRADE HEMA-
4 TITE CONSUMED IN AN INDUSTRIAL OR MANUFACTURING PROCESS THAT IS
5 THE BUSINESS ACTIVITY OF THE TAXPAYER.
6 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX
7 YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED UNDER THIS
8 SECTION EXCEED THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX
9 YEAR, THE EXCESS SHALL NOT BE REFUNDED, BUT MAY BE CARRIED
10 FORWARD AS AN OFFSET TO THE TAX LIABILITY IN SUBSEQUENT TAX YEARS

SB 516, As Passed Senate, November 8, 2001

Senate Bill No. 516 as amended November 8, 2001

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1 FOR 5 TAX YEARS OR UNTIL THE EXCESS CREDIT IS USED UP, WHICHEVER
2 OCCURS FIRST.

3 (3) THE CREDIT UNDER THIS SECTION SHALL BE BASED ON HEMATITE
4 CONSUMED ON AND AFTER JANUARY 1, 2000.

5 (4) AS USED IN THIS SECTION:

6 (A) "CONSUMED IN AN INDUSTRIAL OR MANUFACTURING PROCESS"
7 MEANS A PROCESS IN WHICH LOW-GRADE HEMATITE IS USED AS A RAW
8 MATERIAL IN THE PRODUCTION OF PIG IRON OR STEEL.

9 (B) "LOW-GRADE HEMATITE" MEANS ANY HEMATITIC IRON FORMATION
10 THAT IS NOT OF SUFFICIENT QUALITY IN ITS ORIGINAL MINERAL STATE
11 TO BE MINED AND SHIPPED FOR THE PRODUCTION OF PIG IRON OR STEEL
12 WITHOUT FIRST BEING DRILLED, BLASTED, CRUSHED, AND GROUND VERY
13 FINE TO LIBERATE THE IRON MINERALS AND FOR WHICH ADDITIONAL BENE-
14 FICIATION AND AGGLOMERATION ARE REQUIRED TO PRODUCE A PRODUCT OF
15 SUFFICIENT QUALITY TO BE USED IN THE PRODUCTION OF PIG IRON OR
16 STEEL.

17 (C) "QUALIFIED LOW-GRADE HEMATITE" MEANS PELLETS PRODUCED FROM
18 LOW-GRADE HEMATITIC IRON ORE
MINED IN THE UNITED STATES.