



**House  
Legislative  
Analysis  
Section**

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**TAX ABATEMENT FOR BIODIESEL  
FUEL MANUFACTURERS**

**House Bill 4010**

**Sponsor: Rep. Gene DeRossett**

**Committee: Agriculture and Resource  
Management**

**Complete to 1-31-03**

**A SUMMARY OF HOUSE BILL 4010 AS INTRODUCED 1-28-03**

Under the Plant Rehabilitation and Industrial Development Act - commonly known as P.A. 198 - local governmental units may provide new, renovated, or expanded industrial facilities with property tax abatements for up to 12 years. To be eligible for the tax abatement, businesses must engage in certain activities. House Bill 4010 would extend the tax abatement to those businesses that are engaged in the creation or synthesis of biodiesel fuel.

Under P.A. 198, renovated facilities are taxed at the same local property tax rate, though the taxes are based on the taxable value of the facility (excluding land and inventory) during the immediately preceding tax year (meaning, prior to the renovation). For new facilities, the tax rate is the sum of half of all other taxes other than the State Education Tax and the State Education Tax, based on the current taxable value of the new facility.

MCL 207.552

House Bill 4010 (1-31-03)

Analyst: M. Wolf

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■This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

