

HOUSE BILL No. 5114

August 21, 2007, Introduced by Reps. Byrum, Valentine and Mayes and referred to the Committee on Agriculture.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 278.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 278. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2007, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS
3 ACT EQUAL TO 25% OF THE TOTAL AMOUNT PAID TO PURCHASE AND INSTALL A
4 BIOMASS BURNING UNIT.

5 (2) THE TAXPAYER SHALL CLAIM 20% OF THE AMOUNT OF THE CREDIT
6 ALLOWED UNDER THIS SECTION FOR THE PURCHASE AND INSTALLATION OF
7 EACH BIOMASS BURNING UNIT IN THE TAX YEAR OF THE PURCHASE AND
8 INSTALLATION AND 20% OF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS
9 SECTION FOR THE PURCHASE AND INSTALLATION OF EACH BIOMASS BURNING
10 UNIT IN EACH OF THE SUBSEQUENT 4 TAX YEARS.

1 (3) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
2 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT
3 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE
4 REFUNDED.

5 (4) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE CLAIMED ON
6 A FORM DEVELOPED BY THE DEPARTMENT THAT IS A FORM SEPARATE FROM THE
7 ANNUAL RETURN REQUIRED UNDER THIS ACT AND SHALL BE FILED WITH THE
8 TAXPAYER'S ANNUAL RETURN EACH YEAR THAT A CREDIT UNDER THIS SECTION
9 IS CLAIMED.

10 (5) THE TAXPAYER SHALL ATTACH PROOF OF THE PURCHASE AND
11 INSTALLATION TO THE FORM UNDER SUBSECTION (4) IN THE YEAR THAT THE
12 TAXPAYER PURCHASES AND INSTALLS THE BIOMASS BURNING UNIT.

13 (6) THE TAXPAYER SHALL ATTACH A RECEIPT FOR BIOMASS FUEL
14 PURCHASED IN THE TAX YEAR TO THE ANNUAL RETURN ON WHICH A CREDIT
15 UNDER THIS SECTION IS CLAIMED FOR EACH OF THE 4 YEARS AFTER THE
16 YEAR IN WHICH THE TAXPAYER PURCHASED AND INSTALLED THE BIOMASS
17 BURNING UNIT.

18 (7) AS USED IN THIS SECTION:

19 (A) "BIOMASS BURNING UNIT" MEANS A STOVE, FURNACE, OR BOILER
20 DESIGNED SPECIFICALLY TO UTILIZE BIOMASS FUEL AND THAT HAS A
21 CAPACITY OF AT LEAST 30,000 BTUS. BIOMASS BURNING UNIT DOES NOT
22 INCLUDE A CONVENTIONAL WOOD BURNING STOVE.

23 (B) "BIOMASS FUEL" MEANS ANY FORM OF FUEL, INCLUDING PELLETS,
24 MADE FROM AGRICULTURAL OR FOREST PRODUCTS WASTE, INCLUDING, BUT NOT
25 LIMITED TO, CORN, RYE, WHEAT, BARLEY, CHERRY PITS, WOOD, AND
26 SWITCHGRASS.