

HOUSE BILL No. 4004

January 22, 2009, Introduced by Rep. Calley and referred to the Committee on Energy and Technology.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 254.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 254. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2007, A TAXPAYER THAT PURCHASES AND INSTALLS A RESIDENTIAL
3 RENEWABLE ENERGY SYSTEM TO SUPPLY ALL OR PART OF THE ENERGY
4 REQUIRED FOR THE TAXPAYER'S PRINCIPAL RESIDENCE OR FOR RESIDENTIAL
5 RENTAL PROPERTY OWNED BY THE TAXPAYER MAY CLAIM A CREDIT AGAINST
6 THE TAX IMPOSED UNDER THIS ACT EQUAL TO 50% OF THE TOTAL COST OF
7 PURCHASING AND INSTALLING A RESIDENTIAL RENEWABLE ENERGY SYSTEM FOR
8 THE TAX YEAR IN WHICH THE ENERGY SYSTEM IS COMPLETED AND PLACED IN
9 SERVICE.

10 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR

1 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT
2 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE
3 REFUNDED.

4 (3) AS USED IN THIS SECTION:

5 (A) "ACTIVE SOLAR SYSTEM" MEANS A SYSTEM OF EQUIPMENT CAPABLE
6 OF COLLECTING AND CONVERTING INCIDENT SOLAR RADIATION INTO THERMAL,
7 MECHANICAL, OR ELECTRICAL ENERGY, AND TRANSFERRING THESE FORMS OF
8 ENERGY BY A SEPARATE APPARATUS TO STORAGE OR TO THE POINT OF USE.
9 ACTIVE SOLAR SYSTEM INCLUDES WATER HEATING, SPACE HEATING OR
10 COOLING, AND ELECTRICAL OR MECHANICAL ENERGY GENERATION.

11 (B) "BIOMASS SYSTEM" MEANS ANY SYSTEM OF APPARATUS AND
12 EQUIPMENT CAPABLE OF CONVERTING ORGANIC PLANT, WOOD, OR WASTE
13 PRODUCTS INTO ELECTRICAL AND THERMAL ENERGY AND TRANSFERRING THESE
14 FORMS OF ENERGY BY A SEPARATE APPARATUS TO THE POINT OF USE OR
15 STORAGE.

16 (C) "HYDROENERGY SYSTEM" MEANS A SYSTEM OF APPARATUS AND
17 EQUIPMENT CAPABLE OF INTERCEPTING AND CONVERTING KINETIC WATER
18 ENERGY INTO ELECTRICAL OR MECHANICAL ENERGY AND TRANSFERRING THIS
19 FORM OF ENERGY BY SEPARATE APPARATUS TO THE POINT OF USE OR
20 STORAGE.

21 (D) "PASSIVE SOLAR SYSTEM" MEANS A DIRECT THERMAL SYSTEM THAT
22 UTILIZES THE STRUCTURE OF A BUILDING AND ITS OPERABLE COMPONENTS TO
23 PROVIDE FOR COLLECTION, STORAGE, AND DISTRIBUTION OF HEATING OR
24 COOLING DURING THE APPROPRIATE TIMES OF THE YEAR BY UTILIZING THE
25 CLIMATE RESOURCES AVAILABLE AT THE SITE. PASSIVE SOLAR SYSTEM
26 INCLUDES THOSE PORTIONS AND COMPONENTS OF A BUILDING THAT ARE
27 EXPRESSLY DESIGNED AND REQUIRED FOR THE COLLECTION, STORAGE, AND

1 DISTRIBUTION OF SOLAR ENERGY.

2 (E) "PRINCIPAL RESIDENCE" MEANS THAT TERM AS DEFINED IN
3 SECTION 7DD OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL
4 211.7DD.

5 (F) "RESIDENTIAL RENEWABLE ENERGY SYSTEM" MEANS ANY ACTIVE
6 SOLAR, PASSIVE SOLAR, WIND, BIOMASS SYSTEM, GEOTHERMAL, OR
7 HYDROENERGY SYSTEM USED TO SUPPLY ENERGY TO OR FOR THE TAXPAYER'S
8 PRINCIPAL RESIDENCE OR ANY RESIDENTIAL RENTAL PROPERTY OWNED BY THE
9 TAXPAYER.

10 (G) "WIND SYSTEM" MEANS A SYSTEM OF APPARATUS AND EQUIPMENT
11 CAPABLE OF INTERCEPTING AND CONVERTING WIND ENERGY INTO MECHANICAL
12 OR ELECTRICAL ENERGY AND TRANSFERRING THESE FORMS OF ENERGY BY A
13 SEPARATE APPARATUS TO THE POINT OF USE OR STORAGE.