

# SENATE BILL NO. 514

September 03, 2025, Introduced by Senators BUMSTEAD, HAUCK, BELLINO, SINGH, SANTANA, HOITENGA, WOJNO, HERTEL, LAUWERS, POLEHANKI, WEBBER, DAMOOSE and MCMORROW and referred to Committee on Regulatory Affairs.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
(MCL 206.1 to 206.847) by adding sections 279 and 679.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 279. (1) Except as otherwise provided under this section,  
2 for tax years that begin on and after January 1, 2026, a taxpayer  
3 that is a distributor who originates a deposit on a beverage  
4 container may claim a credit against the tax imposed under this  
5 part equal to \$0.005 per returnable container sold during the tax  
6 year. Beginning with the 2027 tax year and each tax year after

1 2027, the amount of the credit allowed under this subsection must  
2 be adjusted by the percentage increase in the United States  
3 Consumer Price Index for the immediately preceding calendar year.

4 (2) To be eligible for a credit under this section, the  
5 taxpayer shall attach the report required under section 3a of 1976  
6 IL 1, MCL 445.573a, to the annual return filed under this part on  
7 which a credit under this section is claimed.

8 (3) If the distributor is a partnership, limited liability  
9 company, or subchapter S corporation, the credit under this section  
10 may be claimed against the partner's, member's, or shareholder's  
11 tax liability under this part based on the partner's, member's, or  
12 shareholder's proportionate share of ownership or an alternative  
13 method approved by the department. If the credit allowed by this  
14 section exceeds the tax liability of the taxpayer for the tax year,  
15 that portion of the credit that exceeds the tax liability of the  
16 taxpayer for the tax year must be refunded.

17 (4) As used in this section:

18 (a) "Beverage container", "distributor", and "returnable  
19 container" mean those terms as defined in section 1 of 1976 IL 1,  
20 MCL 445.571.

21 (b) "United States Consumer Price Index" means the United  
22 States Consumer Price Index for all urban consumers as defined and  
23 reported by the United States Department of Labor, Bureau of Labor  
24 Statistics.

25 Sec. 679. (1) Except as otherwise provided under this section,  
26 for tax years that begin on and after January 1, 2026, a taxpayer  
27 that is a distributor who originates a deposit on a beverage  
28 container may claim a credit against the tax imposed under this  
29 part equal to \$0.005 per returnable container sold during the tax

1 year. Beginning with the 2027 tax year and each tax year after  
2 2027, the amount of the credit allowed under this subsection shall  
3 be adjusted by the percentage increase in the United States  
4 Consumer Price Index for the immediately preceding calendar year.

5 (2) To be eligible for the credit under this section, the  
6 taxpayer shall attach the report required under section 3a of 1976  
7 IL 1, MCL 445.573a, to the annual return filed under this part on  
8 which a credit under this section is claimed.

9 (3) If the credit allowed by this section exceeds the tax  
10 liability of the taxpayer for the tax year, that portion of the  
11 credit that exceeds the tax liability of the taxpayer for the tax  
12 year must be refunded.

13 (4) As used in this section:

14 (a) "Beverage container", "distributor", and "returnable  
15 container" mean those terms as defined in section 1 of 1976 IL 1,  
16 MCL 445.571.

17 (b) "United States Consumer Price Index" means the United  
18 States Consumer Price Index for all urban consumers as defined and  
19 reported by the United States Department of Labor, Bureau of Labor  
20 Statistics.

21 Enacting section 1. This amendatory act does not take effect  
22 unless Senate Bill No. 512 of the 103rd Legislature is enacted into  
23 law.