

# SENATE BILL No. 440

May 9, 1989, Introduced by Senator DE GROW and  
referred to the Committee on Commerce and Technology.

A bill to amend Act No. 228 of the Public Acts of 1975,  
entitled  
"Single business tax act,"  
as amended, being sections 208.1 to 208.145 of the Michigan  
Compiled Laws, by adding section 37c.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Act No. 228 of the Public Acts of 1975, as  
2       amended, being sections 208.1 to 208.145 of the Michigan Compiled  
3       Laws, is amended by adding section 37c to read as follows:  
4       SEC. 37C. (1) A TAXPAYER THAT PURCHASES RECYCLABLE MATERIAL  
5       FOR THE PURPOSE OF CONVERTING THE RECYCLABLE MATERIAL INTO NEW  
6       PRODUCTS OR INTO MATERIAL USED TO PRODUCE NEW PRODUCTS MAY CLAIM  
7       A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 15% OF THE  
8       AMOUNT THE TAXPAYER EXPENDS TO PURCHASE RECYCLABLE MATERIAL FROM  
9       A QUALIFIED MATERIAL RECOVERY CENTER. THE CREDIT ALLOWED BY THIS

1 SUBSECTION SHALL BE CLAIMED ONLY IN THE TAX YEAR IN WHICH THE  
2 TAXPAYER CONVERTS THE RECYCLABLE MATERIAL INTO A NEW PRODUCT OR A  
3 MATERIAL USED TO PRODUCE A NEW PRODUCT.

4 (2) A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY  
5 THIS ACT EQUAL TO 15% OF THE AMOUNT THE TAXPAYER EXPENDS TO PUR-  
6 CHASE COMPOST FROM A QUALIFIED COMPOST FACILITY.

7 (3) A TAXPAYER THAT IS A QUALIFIED RESOURCE RECOVERY FACIL-  
8 ITY THAT BEGINS CONSTRUCTION AFTER THE EFFECTIVE DATE OF THIS  
9 SECTION MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT IN  
10 AN AMOUNT EQUAL TO 3 CENTS PER KILOWATT HOUR FOR THE ELECTRICITY  
11 THE TAXPAYER PRODUCES AND SELLS IN THIS STATE.

12 (4) IF A QUALIFIED RESOURCE RECOVERY FACILITY THAT BEGINS  
13 CONSTRUCTION AFTER THE EFFECTIVE DATE OF THIS SECTION IS EXEMPT  
14 FROM THE TAX IMPOSED BY THIS ACT, THE FACILITY MAY NONETHELESS  
15 CLAIM A CREDIT EQUAL TO THE CREDIT ALLOWED UNDER SUBSECTION (3)  
16 BY FILING WITH THE DEPARTMENT AN ANNUAL RETURN, IN THE FORM AND  
17 WITH THE CONTENT PRESCRIBED BY THE DEPARTMENT, BEFORE MAY 1 OF  
18 THE YEAR IMMEDIATELY FOLLOWING THE YEAR FOR WHICH THE CREDIT IS  
19 CLAIMED.

20 (5) A TAXPAYER THAT PURCHASES STEAM FOR HEATING, FOR GENER-  
21 ATING ELECTRICITY, OR FOR A MANUFACTURING PROCESS MAY CLAIM A TAX  
22 CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO THE AMOUNT BY  
23 WHICH PAYMENTS FOR STEAM PURCHASED FROM A QUALIFIED RESOURCE  
24 RECOVERY FACILITY EXCEED \$6.00 PER 1,000 POUNDS OF STEAM. A  
25 CREDIT CLAIMED UNDER THIS SUBSECTION SHALL NOT EXCEED \$2.00 PER  
26 1,000 POUNDS OF STEAM.

1 (6) A QUALIFIED RESOURCE RECOVERY FACILITY THAT SELLS STEAM  
2 TO A PERSON EXEMPT FROM THE TAX IMPOSED BY THIS ACT OR BY THE  
3 STATE INCOME TAX ACT, ACT NO. 281 OF THE PUBLIC ACTS OF 1967,  
4 BEING SECTIONS 206.1 TO 206.532 OF THE MICHIGAN COMPILED LAWS,  
5 MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO  
6 \$6.00 PER 1,000 POUNDS OF STEAM SOLD TO THE EXEMPT PERSON. A  
7 CREDIT CLAIMED UNDER THIS SUBSECTION SHALL NOT EXCEED \$2.00 PER  
8 1,000 POUNDS OF STEAM.

9 (7) IF A CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX  
10 LIABILITY OF THE TAXPAYER, OR IF THE TAXPAYER HAS NO TAX LIABIL-  
11 ITY UNDER THIS ACT, THE DEPARTMENT SHALL REFUND THE EXCESS TO THE  
12 TAXPAYER.

13 (8) AS USED IN THIS SECTION:

14 (A) "QUALIFIED COMPOST FACILITY" MEANS A FACILITY THAT COM-  
15 POSTS SOLID WASTE AND THAT COMPLIES AND IS CONSISTENT WITH THE  
16 SOLID WASTE MANAGEMENT PLAN FOR THE COUNTY IN WHICH THE FACILITY  
17 IS LOCATED.

18 (B) "QUALIFIED MATERIAL RECOVERY CENTER" MEANS A FACILITY  
19 LOCATED IN THIS STATE THAT SORTS OR PROCESSES RECYCLABLE MATERIAL  
20 AND THAT COMPLIES AND IS CONSISTENT WITH THE SOLID WASTE MANAGE-  
21 MENT PLAN FOR THE COUNTY IN WHICH THE FACILITY IS LOCATED.

22 (C) "QUALIFIED RESOURCE RECOVERY FACILITY" MEANS A FACILITY  
23 THAT MEETS ALL OF THE FOLLOWING REQUIREMENTS:

24 (i) THE FACILITY MEETS ALL THE REQUIREMENTS FOR A RESOURCE  
25 RECOVERY FACILITY UNDER SECTION 60 OF ACT NO. 3 OF THE PUBLIC  
26 ACTS OF 1939, BEING SECTION 460.60 OF THE MICHIGAN COMPILED  
27 LAWS.

1       (ii) THE FACILITY COMPLIES AND IS CONSISTENT WITH THE SOLID  
2 WASTE MANAGEMENT PLAN FOR THE COUNTY IN WHICH THE FACILITY IS  
3 LOCATED.

4       (iii) THE FACILITY'S TOTAL ANNUAL FUEL INPUT IS COMPOSED OF  
5 NOT LESS THAN 80% QUALIFIED SOLID WASTE.

6       (D) "QUALIFIED SOLID WASTE" MEANS THAT TERM AS DEFINED IN  
7 SECTION 60 OF ACT NO. 3 OF THE PUBLIC ACTS OF 1939, BUT DOES NOT  
8 INCLUDE MATERIAL REGULATED UNDER THE INITIATED LAW OF 1976, BEING  
9 SECTIONS 445.571 TO 445.576 OF THE MICHIGAN COMPILED LAWS.

10       (E) "RECYCLABLE MATERIAL" MEANS GLASS, METAL, WOOD, PAPER,  
11 PLASTICS, RUBBER, TEXTILES, GARBAGE, YARD CLIPPINGS, TIRES, BAT-  
12 TERIES, OR OTHER MATERIAL APPROVED BY THE DIRECTOR OF THE DEPART-  
13 MENT OF NATURAL RESOURCES THAT IS SEPARATED FROM SOLID WASTE GEN-  
14 ERATED IN THIS STATE FOR THE PURPOSE OF CONVERSION INTO NEW PROD-  
15 UCTS OR INTO MATERIAL USED TO PRODUCE NEW PRODUCTS, BUT DOES NOT  
16 INCLUDE MATERIAL REGULATED UNDER THE INITIATED LAW OF 1976, BEING  
17 SECTIONS 445.571 TO 445.576 OF THE MICHIGAN COMPILED LAWS.

18       (F) "SOLID WASTE" MEANS THAT TERM AS DEFINED IN SECTION 7 OF  
19 THE SOLID WASTE MANAGEMENT ACT, ACT NO. 641 OF THE PUBLIC ACTS OF  
20 1978, BEING SECTION 299.407 OF THE MICHIGAN COMPILED LAWS.

21       (G) "SOLID WASTE MANAGEMENT PLAN" MEANS THE PLAN REQUIRED  
22 UNDER THE SOLID WASTE MANAGEMENT ACT, ACT NO. 641 OF THE PUBLIC  
23 ACTS OF 1978, BEING SECTIONS 299.401 TO 299.437 OF THE MICHIGAN  
24 COMPILED LAWS, TO ASSURE THE COLLECTION, RECOVERY, PROCESSING, OR  
25 DISPOSAL OF THE SOLID WASTE GENERATED IN A GIVEN PLANNING AREA.