

# Legislative Analysis

---



## ADVANCED BATTERY TECHNOLOGY CREDITS

Mitchell Bean, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 5275**

**Sponsor: Rep. Lisa Brown**

**House Committee: New Economy and Quality of Life**

**Complete to 8-24-09**

## A SUMMARY OF HOUSE BILL 5275 AS INTRODUCED 8-19-09

The bill would amend a section of the Michigan Business Tax Act (MCL 208.1434) that provides tax credits related to the development and application of advanced battery technology. It would allow for one additional credit to be awarded by the Michigan Economic Growth Authority for the construction of integrated battery cell manufacturing facilities, and specifies that one of the credits would have to be for the "manufacturing of large scale power systems designed to convert variable renewable power into firm dispatchable power."

This brings the number of credits available from four to five credits, thus increasing the maximum dollar amount of credits available over four years from \$400 million to \$500 million, beginning in the 2012 tax year. The bill also would extend the deadline for the authorization of such credits by MEGA from October 1, 2009 to March 1, 2010.

The current limit on credits was recently added by Public Act 26 of 2009 (Senate Bill 466), which took effect May 12, 2009. That act increased the advanced battery credits available from three to four.

The advanced battery manufacturing credit is equal to 50 percent of the capital investment expenses for the construction of an integrative cell manufacturing facility if the taxpayer will create at least 300 new jobs in Michigan. The maximum allowable credit is \$25 million per year for no more than four years. No credit is to be claimed until the 2012 tax year (although the credit could be based on expenses incurred in prior years).

## FISCAL IMPACT:

The bill would increase the maximum amount of credits available under Section 434 of the Michigan Business Tax Act by a total of \$100 million. To the extent that the Michigan Economic Growth Authority awards additional credits, MBT and General Fund/General Purpose revenue would be reduced. This bill would have no direct effect on local units of government.

Legislative Analyst: Chris Couch  
Fiscal Analyst: Rebecca Ross

---

■ 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.