

RENEWABLE FUELS CHECKOFF

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Senate Bill 1467 (Substitute H-1)
Sponsor: Sen. Michael Switalski
Senate Committee: Agriculture
House Committee: Agriculture

Complete to 12-3-08

A SUMMARY OF SENATE BILL 1467 AS REPORTED FROM HOUSE COMMITTEE

The bill would amend the Income Tax Act (MCL 206.435) to create a new checkoff on the state income tax form, with the proceeds to go to the Renewable Fuels Fund. As amended by the House Agriculture Committee, the checkoff would apply to the 2009 and subsequent tax years.

A taxpayer could designate that \$5, \$10, or more of a refund be credited to the Fund. If a refund was not sufficient to make a contribution, the taxpayer could designate a contribution amount that would be added to tax liability for the tax year.

The Renewable Fuels Fund would be created by Senate Bill 1130 of this session, to which this bill is tie-barred. (House Bill 5750, similar in content, would create a similar Alternative Fuels Fund.)

The Renewable Fuels Fund would be used to do one or more of the following:

- Promote the production and use of alternative fuels.
- Award grants to improve the production of alternative fuels in Michigan.
- Encourage the development of quality standards for renewable fuels.
- Provide incentives to retailers who sell renewable fuels.
- Promote the sale of vehicles that run on renewable fuels.

"Renewable fuels" would include biodiesel, biodiesel blends, hydrogen fuel, and E85 fuel.

FISCAL IMPACT:

Taxpayer donations would come from their income tax refunds or would increase their tax liability. Based on data from Michigan and other states, between \$200,000 and \$500,000 could be generated annually from a checkoff. However, the popularity of a particular checkoff and the additions of choices for checkoff contributions also affect the revenue generated for each checkoff. This bill would have no direct local fiscal impact.

POSITIONS:

The Michigan Farm Bureau supports the concept of the bill. (12-2-08)

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