

# HOUSE BILL No. 5145

August 29, 2007, Introduced by Reps. Brown, Ball, Polidori, Kathleen Law, Knollenberg, Leland, Espinoza, Mayes, Byrum, Constan and Melton and referred to the Committee on Energy and Technology.

A bill to amend 2007 PA 36, entitled  
"Michigan business tax act,"  
(MCL 208.1101 to 208.1601) by adding section 451.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           SEC. 451. (1) FOR TAX YEARS THAT BEGIN ON OR AFTER JANUARY 1,  
2           2008, A QUALIFIED TAXPAYER THAT UTILIZES INNOVATIVE TECHNOLOGIES  
3           MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 10%  
4           OF THE AMOUNT EXPENDED TO IMPLEMENT THE NEW INNOVATIVE  
5           TECHNOLOGIES, NOT TO EXCEED \$250,000.00 PER TAX YEAR PER EACH  
6           TAXPAYER.

7           (2) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR  
8           EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THE  
9           EXCESS SHALL NOT BE REFUNDED.

1 (3) A TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION  
2 UNLESS THE TAXPAYER ATTACHES RECEIPTS OR OTHER WRITTEN  
3 DOCUMENTATION APPROVED BY THE DEPARTMENT THAT IS EVIDENCE OF THE  
4 AMOUNT EXPENDED DURING THE TAX YEAR TO THE ANNUAL RETURN FOR WHICH  
5 THE CREDIT UNDER THIS SECTION IS CLAIMED.

6 (4) AS USED IN THIS SECTION:

7 (A) "BIOENERGY" MEANS HEAT OR ELECTRICITY PRODUCED FROM THE  
8 THERMAL, MECHANICAL, OR BIOLOGICAL PROCESSING OF BIOMASS. BIOENERGY  
9 DOES NOT INCLUDE HEAT OR ELECTRICITY PRODUCED FROM THE DIRECT  
10 COMBUSTION OF BIOMASS.

11 (B) "BIOFUELS" MEANS ETHANOL, BIODIESEL, BUTANOL, OR OTHER  
12 LIQUID FUELS PRODUCED FROM BIOMASS.

13 (C) "BIOMASS" MEANS ANY ORGANIC MATTER THAT IS AVAILABLE ON A  
14 RENEWABLE OR RECURRING BASIS, INCLUDING, BUT NOT LIMITED TO,  
15 AGRICULTURAL CROPS, CERTAIN TREES AND GRASSES, PLANTS, WOOD  
16 RESIDUES, FOREST INDUSTRY RESIDUES, FOOD PROCESSING WASTES,  
17 MUNICIPAL SOLID WASTES, AND AGRICULTURAL RESIDUES AND WASTES SUCH  
18 AS CORNSTALKS, CORNCOBS, AND MANURE.

19 (D) "BIOPRODUCTS" MEANS INDUSTRIAL, COMMERCIAL, OR CONSUMER  
20 PRODUCTS MADE WITH, OR COMPOSED IN WHOLE OR IN SIGNIFICANT PART OF,  
21 FIBERS, SOLID, LIQUID, OR GASEOUS CHEMICALS, PROTEINS,  
22 CARBOHYDRATES, LIPIDS, MINERALS, OR ANY OTHER SUBSTANCE PRODUCED  
23 FROM BIOMASS.

24 (E) "ETHANOL" MEANS AN ALCOHOL WITH A MOLECULAR FORMULA OF  
25  $\text{CH}_3\text{CH}_2\text{OH}$ .

26 (F) "ETHANOL PLANT" MEANS A FACILITY THAT PRODUCES ETHANOL  
27 FROM CORN KERNELS FOR USE AS FUEL OR FUEL ADDITIVE.

1           (G) "INNOVATIVE TECHNOLOGIES" MEANS TECHNOLOGIES THAT REDUCE  
2 THE COSTS OF CONVERTING CORN INTO ETHANOL, THAT REDUCE ENERGY  
3 CONSUMPTION USED DURING THE CONVERSION OF CORN INTO ETHANOL, THAT  
4 ENABLE THE CO-PROCESSING OF CORN AND OTHER BIOMASS INTO ETHANOL OR  
5 OTHER BIOFUELS, THAT INCREASE THE YIELD OF ETHANOL, OR THAT  
6 FACILITATE THE PRODUCTION OF OTHER USEFUL BIOFUELS, BIOENERGY, AND  
7 BIOPRODUCTS.

8           (H) "QUALIFIED TAXPAYER" MEANS A TAXPAYER THAT OWNS AND  
9 OPERATES A CORN PROCESSING ETHANOL PLANT ON JANUARY 1, 2008.

10           Enacting section 1. This amendatory act takes effect January  
11 1, 2008.