

HOUSE BILL NO. 6237

June 16, 2022, Introduced by Reps. Aiyash, LaGrand, Steckloff, Brenda Carter and Kuppa and referred to the Committee on Tax Policy.

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) For tax years that begin on and after January 1,
2 2023, a taxpayer may claim a credit against the tax imposed by this
3 part equal to 10% of the total amount paid to purchase and install
4 a photovoltaic energy system during the tax year. For a taxpayer
5 who is a member of a flow-through entity that is eligible for the
6 credit under this section, that taxpayer may claim credit against

1 the member's tax liability under this part based on the member's
2 distributive share of business income reported from that flow-
3 through entity or an alternative method approved by the department.
4 The department shall prescribe the form and manner in which a
5 taxpayer shall claim a credit under this section. The department
6 may require reasonable proof from the taxpayer in support of the
7 expenses claimed under this section.

8 (2) If the amount of the credit allowed under this section
9 exceeds the tax liability of the taxpayer for the tax year, that
10 portion of the credit that exceeds the tax liability shall not be
11 refunded but may be carried forward to offset tax liability under
12 this part in subsequent tax years for a period not to exceed 5 tax
13 years or until used up, whichever occurs first.

14 (3) As used in this section and section 679:

15 (a) "Photovoltaic cells" means an integrated device consisting
16 of layers of semiconductor materials and electric constructs
17 capable of converting incident light directly into electricity.

18 (b) "Photovoltaic energy" means solar energy.

19 (c) "Photovoltaic energy system" means solar energy devices
20 composed of 1 or more photovoltaic cells or photovoltaic modules,
21 and inverter or other power conditioning unit or photovoltaic
22 technology designed to deliver power of a selected current and
23 voltage, wires, and other electrical connectors in order to
24 generate electricity, heat or cool a structure, provide hot water
25 for use in a structure, or provide solar process heat. Batteries
26 for power storage may also be included in photovoltaic energy
27 systems.

28 (d) "Photovoltaic modules" means an assembly of interconnected
29 photovoltaic cells.

1 (e) "Photovoltaic technology" means solar power technology
2 that uses photovoltaic cells and photovoltaic modules to convert
3 light from the sun directly into electricity. Photovoltaic
4 technology includes equipment, component parts, materials,
5 electronic devices, testing equipment, and other related systems
6 that are specifically designed or fabricated and used primarily for
7 1 or more of the following:

8 (i) The storage, generation, reformation, or distribution of
9 clean fuels integrated within a photovoltaic energy system.

10 (ii) The process of utilizing photovoltaic energy to generate
11 electricity for use by consumers.

12 Sec. 679. (1) For tax years that begin on and after January 1,
13 2023, a taxpayer may claim a credit against the tax imposed by this
14 part equal to 10% of the total amount paid to purchase and install
15 a photovoltaic energy system during the tax year. The department
16 shall prescribe the form and manner in which a taxpayer shall claim
17 a credit under this section. The department may require reasonable
18 proof from the taxpayer in support of the expenses claimed under
19 this section.

20 (2) If the amount of the credit allowed under this section
21 exceeds the tax liability of the taxpayer for the tax year, that
22 portion of the credit that exceeds the tax liability shall not be
23 refunded but may be carried forward to offset tax liability under
24 this part in subsequent tax years for a period not to exceed 5 tax
25 years or until used up, whichever occurs first.