



# HOUSE BILL No. 6025

September 10, 1996, Introduced by Rep. Griffin and referred to the Committee on Tax Policy.

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 37e.

**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 37e to read as follows:

4 SEC. 37E. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,  
5 1995 AND BEGIN BEFORE JANUARY 1, 1999, A QUALIFIED TAXPAYER MAY  
6 CLAIM A CREDIT EQUAL TO 50% OF THE COST PAID FOR THE USE OF RECY-  
7 CLED MATERIALS AS FEEDSTOCK IN THE MANUFACTURING PROCESS IN  
8 EXCESS OF THE COST THAT WOULD HAVE BEEN INCURRED IF VIRGIN  
9 MATERIALS HAD BEEN USED AS FEEDSTOCK. THE CREDIT ALLOWED UNDER

1 THIS SECTION IS FOR RECYCLED MATERIALS GENERATED AND PROCESSED IN  
2 THIS STATE BY THE TAXPAYER IN THE TAX YEAR FOR A PURPOSE THAT IS  
3 NOT FOR ENERGY RECOVERY OR INCINERATION AND SHALL NOT EXCEED 50%  
4 OF THE COST DIFFERENTIAL FOR THE RECYCLED MATERIALS.

5 (2) A TAXPAYER SHALL APPLY TO THE DEPARTMENT OF ENVIRONMEN-  
6 TAL QUALITY FOR CERTIFICATION OF THE AMOUNT AND ELIGIBILITY OF  
7 RECYCLED MATERIALS PROCESSED. THE DEPARTMENT OF ENVIRONMENTAL  
8 QUALITY SHALL SUBMIT A COPY OF EACH CERTIFICATION GRANTED TO THE  
9 DEPARTMENT OF TREASURY. A COPY OF THE CERTIFICATION AND A STATE-  
10 MENT THAT THE RECYCLED MATERIALS PROCESSED WERE GENERATED EXCLU-  
11 SIVELY IN THIS STATE SHALL BE INCLUDED WITH THE TAX RETURN FOR  
12 THE TAX YEAR IN WHICH A TAXPAYER CLAIMS THE CREDIT UNDER THIS  
13 SECTION.

14 (3) THE DEPARTMENT OF ENVIRONMENTAL QUALITY AND THE DEPART-  
15 MENT OF TREASURY SHALL PROMULGATE RULES PURSUANT TO THE ADMINIS-  
16 TRATIVE PROCEDURES ACT OF 1969, ACT NO. 306 OF THE PUBLIC ACTS OF  
17 1969, BEING SECTIONS 24.201 TO 24.328 OF THE MICHIGAN COMPILED  
18 LAWS, TO IMPLEMENT THIS SECTION THAT ESTABLISH THE TECHNICAL  
19 SPECIFICATIONS AND CERTIFICATION REQUIREMENTS FOR QUALIFICATION  
20 OF RECYCLED MATERIALS.

21 (4) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX  
22 YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED UNDER THIS  
23 SECTION EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR,  
24 THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR  
25 SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX  
26 LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP,  
27 WHICHEVER OCCURS FIRST.

1 (5) BEFORE FEBRUARY 1 OF EACH CALENDAR YEAR, THE DIRECTOR OF  
2 THE DEPARTMENT OF ENVIRONMENTAL QUALITY SHALL SUBMIT A REPORT TO  
3 THE GOVERNOR, THE STATE TREASURER, AND THE LEGISLATURE THAT  
4 INCLUDES THE NUMBER OF CERTIFICATIONS GRANTED DURING THE IMMEDI-  
5 ATELY PRECEDING CALENDAR YEAR AND THE AMOUNT OF RECYCLED MATERI-  
6 ALS PROCESSED BY QUALIFIED TAXPAYERS.

7 (6) AS USED IN THIS SECTION:

8 (A) "COST DIFFERENTIAL" MEANS THE STATEWIDE AVERAGE PRICE  
9 DIFFERENTIAL FOR A SPECIFIC RECYCLED MATERIAL AS DETERMINED ANNU-  
10 ALLY BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY.

11 (B) "QUALIFIED TAXPAYER" MEANS A TAXPAYER THAT HAS APPLIED  
12 TO THE DEPARTMENT OF ENVIRONMENTAL QUALITY AND BEEN GRANTED A  
13 CERTIFICATION OF THE AMOUNT AND ELIGIBILITY OF RECYCLED MATERIALS  
14 PROCESSED FOR THE TAX YEAR.

15 (C) "RECYCLED MATERIALS" MEANS ALL OF THE FOLLOWING:

16 (i) GREEN AND AMBER GLASS.

17 (ii) TIRES.

18 (iii) COATED PAPER INCLUDING, BUT NOT LIMITED TO, WAXED  
19 CARDBOARD, MILK CARTONS, FAST-FOOD PAPER CONTAINERS, AND OTHER  
20 PAPER WITH A SLICK COATING.

21 (iv) BUILDING CONSTRUCTION AND DEMOLITION WASTE INCLUDING,  
22 BUT NOT LIMITED TO, WOOD, DRYWALL, MASONRY, AND OTHER ITEMS AND  
23 MATERIALS ASSOCIATED WITH THE CONSTRUCTION AND DEMOLITION OF  
24 BUILDINGS.