

HOUSE BILL No. 6461

November 7, 2002, Introduced by Rep. Adamini 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 206.532) by adding section 270.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 270. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2002, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY
3 THIS ACT AS PROVIDED IN THIS SECTION FOR THE PURCHASE AND INSTAL-
4 LATION, BUT EXCLUDING FINANCE CHARGES, OF A PHOTOVOLTAIC ENERGY
5 CONVERSION DEVICE, SOLAR THERMAL ENERGY CONVERSION DEVICE, OR
6 WIND ENERGY CONVERSION DEVICE OR A GEOTHERMAL HEAT PUMP IN THE
7 TAXPAYER'S HOMESTEAD LOCATED IN THIS STATE, OR A BUILDING THAT IS
8 OWNED BY THE TAXPAYER AND RENTED OR LEASED FOR THE PURPOSE OF
9 PROVIDING A HOMESTEAD AND LOCATED WITHIN THIS STATE. A
10 SUBSEQUENT PURCHASER MAY CLAIM THE CREDIT IF THE PERSON WHO
11 INSTALLED THE PHOTOVOLTAIC ENERGY CONVERSION DEVICE, SOLAR

1 THERMAL ENERGY CONVERSION DEVICE, OR WIND ENERGY CONVERSION
2 DEVICE OR GEOTHERMAL HEAT PUMP DID NOT CLAIM THE CREDIT. ONLY 1
3 PERSON MAY CLAIM THE CREDIT FOR EACH PURCHASE AND INSTALLATION
4 EXCEPT AS ALLOWED IN SUBSECTION (4). THE CREDIT SHALL BE CLAIMED
5 FOR THE TAX YEAR IN WHICH THE INSTALLATION OF THE DEVICE WAS
6 COMPLETED.

7 (2) THE AMOUNT OF THE CREDIT ALLOWED BY THIS SECTION IS 30%
8 OF THE FIRST \$2,000.00 OF COST AND 15% OF THE NEXT \$3,000.00 OF
9 COST.

10 (3) A TAXPAYER WHO OWNS AND RESIDES IN A CONDOMINIUM LOCATED
11 WITHIN THIS STATE AND WHO INSTALLS A PHOTOVOLTAIC ENERGY CONVER-
12 SION DEVICE, SOLAR THERMAL ENERGY CONVERSION DEVICE, OR WIND
13 ENERGY CONVERSION DEVICE OR GEOTHERMAL HEAT PUMP FOR THE CONDO-
14 MINIUM IS ELIGIBLE FOR THE CREDIT PROVIDED BY THIS SECTION IN
15 PROPORTION TO THE NUMBER OF HOUSEHOLDS SERVED BY THE DEVICE.

16 (4) IN THE CASE OF A HUSBAND OR WIFE WHO FILES A SEPARATE
17 RETURN, THE CREDIT MAY BE TAKEN BY EITHER OR EQUALLY DIVIDED
18 BETWEEN THEM.

19 (5) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX
20 LIABILITY FOR THE TAXABLE YEAR, THAT PORTION OF THE CREDIT THAT
21 EXCEEDS THE TAX LIABILITY SHALL BE REFUNDED.

22 (6) THE DEPARTMENT MAY PROMULGATE RULES PURSUANT TO THE
23 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO
24 24.328, TO IMPLEMENT THIS SECTION AND TO ESTABLISH THE PER-
25 FORMANCE AND QUALITY STANDARDS AND OTHER STANDARDS FOR PHOTOVOL-
26 TAIC ENERGY CONVERSION DEVICES, SOLAR THERMAL ENERGY CONVERSION
27 DEVICES, OR WIND ENERGY CONVERSION DEVICES AND GEOTHERMAL HEAT

1 PUMPS THAT ARE ELIGIBLE FOR THE CREDIT UNDER THIS SECTION. A
2 TAXPAYER SHALL FILE FOR CERTIFICATION OF A DEVICE WITH THE
3 DEPARTMENT ON A FORM PRESCRIBED BY THE DEPARTMENT NOT LATER THAN
4 1 YEAR FOLLOWING THE DATE ON WHICH THE INSTALLATION OF THE DEVICE
5 WAS COMPLETED. THE DEPARTMENT MAY GRANT AN EXTENSION FOR FILING
6 UPON A SHOWING OF GOOD CAUSE. ON A FORM PROVIDED BY THE DEPART-
7 MENT, THE DEPARTMENT SHALL CERTIFY TO THE TAXPAYER THAT THE PHO-
8 TOVOLTAIC ENERGY CONVERSION DEVICE, SOLAR THERMAL ENERGY CONVER-
9 SION DEVICE, OR WIND ENERGY CONVERSION DEVICE OR GEOTHERMAL HEAT
10 PUMP QUALIFIES UNDER THIS SECTION AND SHALL SPECIFY THE AMOUNT OF
11 THE CREDIT TO WHICH THE TAXPAYER IS ENTITLED. A COPY OF THE CER-
12 TIFICATE SHALL BE ATTACHED TO THE RETURN FILED UNDER THIS ACT FOR
13 THE TAX YEAR IN WHICH THE CREDIT IS CLAIMED.

14 (7) AS USED IN THIS SECTION:

15 (A) "GEOTHERMAL HEAT PUMP" MEANS AN INTEGRATED UNIT CONSIST-
16 ING OF A PUMP, A COMPRESSOR, A FAN, A SYSTEM CONTAINING A HEAT
17 TRANSFER FLUID, AND HEAT EXCHANGERS THAT TRANSFER HEAT TO AND
18 FROM THE EARTH, A BODY OF SURFACE WATER, OR WATER FROM A SUBSUR-
19 FACE AQUIFER TO HEAT OR COOL SPACES OR WATER.

20 (B) "PHOTOVOLTAIC ENERGY SYSTEM" MEANS A SOLAR ENERGY DEVICE
21 COMPOSED OF 1 OR MORE PHOTOVOLTAIC CELLS OR PHOTOVOLTAIC MODULES
22 AND AN INVERTER OR OTHER POWER CONDITIONING UNIT. A PHOTOVOLTAIC
23 SYSTEM MAY ALSO INCLUDE BATTERIES FOR POWER STORAGE OR AN ELEC-
24 TRICITY STORAGE DEVICE. AS USED IN THIS SUBDIVISION:

25 (i) "PHOTOVOLTAIC CELL" MEANS AN INTEGRATED DEVICE CONSIST-
26 ING OF LAYERS OF SEMICONDUCTOR MATERIALS AND ELECTRICAL CONTACTS
27 CAPABLE OF CONVERTING INCIDENT LIGHT DIRECTLY INTO ELECTRICITY.

1 (ii) "PHOTOVOLTAIC MODULE" MEANS AN ASSEMBLY OF PHOTOVOLTAIC
2 CELLS.

3 (C) "SOLAR THERMAL ENERGY CONVERSION DEVICE" MEANS AN INTE-
4 GRATED UNIT CONSISTING OF A SUNLIGHT COLLECTION DEVICE, A SYSTEM
5 CONTAINING A HEAT TRANSFER FLUID TO RECEIVE THE COLLECTED SUN-
6 LIGHT, AND HEAT EXCHANGERS TO TRANSFER THE SOLAR HEAT ENERGY TO A
7 THERMAL STORAGE TANK TO HEAT OR COOL SPACES OR WATER.

8 (D) "WIND ENERGY SYSTEM" MEANS AN INTEGRATED UNIT CONSISTING
9 OF A WIND TURBINE COMPOSED OF A ROTOR, AN ELECTRICAL GENERATOR, A
10 CONTROL SYSTEM, AN INVERTER OR OTHER POWER CONDITIONING UNIT, AND
11 A TOWER, WHICH USES MOVING AIR TO PRODUCE POWER.