

# HOUSE BILL No. 6550

December 3, 2002, Introduced by Rep. Kooiman and referred to the Committee on Tax Policy.

A bill to amend 1975 PA 228, entitled  
"Single business tax act,"  
(MCL 208.1 to 208.145) by adding section 39f.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 39F. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,  
2        2002, A TAXPAYER MAY CLAIM A CREDIT OF UP TO 20% OF THE AMOUNT  
3        PAID IN THE TAX YEAR TO PURCHASE AND INSTALL MACHINERY AND EQUIP-  
4        MENT USED EXCLUSIVELY IN OR ON THE PREMISES OF A MANUFACTURING  
5        FACILITY IN THIS STATE THAT IS THE TAXPAYER'S PLACE OF BUSINESS  
6        AND THAT IS USED TO MANUFACTURE, PROCESS, COMPOUND, OR PRODUCE  
7        ITEMS OF TANGIBLE PERSONAL PROPERTY FROM RECYCLABLE MATERIALS FOR  
8        SALE OR TO PROCESS POSTCONSUMER WASTE MATERIAL USED EXCLUSIVELY  
9        TO PRODUCE FINISHED PRODUCTS.

(2) TO QUALIFY FOR THE CREDIT ALLOWED UNDER THIS SECTION, THE TAXPAYER SHALL SUBMIT ALL OF THE FOLLOWING WITH THE ANNUAL RETURN REQUIRED BY THIS ACT ON WHICH THE CREDIT IS CLAIMED:

(A) CERTIFICATION FROM THE DEPARTMENT OF ENVIRONMENTAL QUALITY THAT THE MACHINERY AND EQUIPMENT PURCHASED OR INSTALLED ARE INTEGRAL TO THE RECYCLING PROCESS.

(B) DOCUMENTATION OF THE COST PAID FOR THE MACHINERY OR EQUIPMENT AND FOR THE INSTALLATION OF THE MACHINERY OR EQUIPMENT.

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

(4) AS USED IN THIS SECTION:

(A) "MANUFACTURING FACILITY" MEANS BUILDINGS AND STRUCTURES THE PRIMARY PURPOSE OF WHICH IS EITHER OF THE FOLLOWING:

(i) THE MANUFACTURE OF GOODS OR MATERIALS OR THE PROCESSING OF GOODS AND MATERIALS BY PHYSICAL OR CHEMICAL CHANGE.

(ii) RESEARCH AND DEVELOPMENT LABORATORIES OF COMPANIES WHETHER OR NOT THE COMPANY MANUFACTURES THE PRODUCTS DEVELOPED FROM THEIR RESEARCH ACTIVITIES IF THE RESEARCH ACTIVITIES ARE RELATED SOLELY TO THE MANUFACTURE, PROCESSING, COMPOUNDING, OR PRODUCTION OF ITEMS OF TANGIBLE PERSONAL PROPERTY FROM RECYCLABLE

1 MATERIALS OR TO PROCESSING POSTCONSUMER WASTE MATERIAL USED  
2 EXCLUSIVELY TO PRODUCE FINISHED PRODUCTS.

3 (B) "RECYCLABLE MATERIALS" MEANS ANY PRODUCT GENERATED BY A  
4 TAXPAYER THAT HAS SERVED ITS INTENDED END USE AND THAT HAS BEEN  
5 SEPARATED FROM SOLID WASTE FOR THE PURPOSE OF COLLECTION, MARKET-  
6 ING, AND DISPOSITION AND THAT DOES NOT INCLUDE DEMOLITION WASTE  
7 OR MORE THAN 15% SECONDARY WASTE MATERIAL OR DEMOLITION WASTE.

8 (C) "SECONDARY WASTE MATERIAL" MEANS WASTE MATERIAL GENER-  
9 ATED AFTER THE COMPLETION OF A MANUFACTURING PROCESS.