

SUBSTITUTE FOR  
HOUSE BILL NO. 4647  
(As amended December 6, 2006)

A bill to amend 1975 PA 228, entitled  
"Single business tax act,"  
(MCL 208.1 to 208.145) by adding section 36e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 36E. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, [2006]  
2        AND BEFORE JANUARY 1, 2008, A TAXPAYER THAT OWNS A SMALL WIND  
3        TURBINE LOCATED IN THIS STATE AND USES THAT SMALL WIND TURBINE TO  
4        GENERATE ENERGY MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS  
5        ACT EQUAL TO \$0.015 PER KILOWATT HOUR GENERATED IN THE TAX YEAR.  
6        (2) A TAXPAYER SHALL APPLY TO THE ENERGY OFFICE OF THE  
7        DEPARTMENT OF LABOR AND ECONOMIC GROWTH FOR APPROVAL OF A CREDIT  
8        UNDER THIS SECTION. THE DIRECTOR OF THE DEPARTMENT OF LABOR AND  
9        ECONOMIC GROWTH OR HIS OR HER DESIGNEE IS AUTHORIZED TO APPROVE  
10       APPLICATIONS UNDER THIS SUBSECTION. AN APPLICATION SHALL BE

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1 APPROVED OR DENIED NOT MORE THAN 45 DAYS AFTER RECEIPT OF THE  
2 APPLICATION. IF THE APPLICATION IS NOT APPROVED OR DENIED 45 DAYS  
3 AFTER THE APPLICATION IS RECEIVED BY THE DEPARTMENT OF LABOR AND  
4 ECONOMIC GROWTH, THE APPLICATION IS CONSIDERED APPROVED FOR THE  
5 CREDIT AMOUNT STATED IN THE APPLICATION. THE TOTAL OF ALL CREDITS  
6 UNDER THIS SECTION SHALL NOT EXCEED \$3,000,000.00 PER CALENDAR  
7 YEAR. THE TOTAL OF ALL CREDITS FOR ANY 1 TAXPAYER UNDER THIS  
8 SUBSECTION SHALL NOT EXCEED \$750,000.00 FOR A TAX YEAR. IF THE  
9 DEPARTMENT OF LABOR AND ECONOMIC GROWTH APPROVES AN APPLICATION  
10 UNDER THIS SUBSECTION, THE DIRECTOR OF THE DEPARTMENT OF LABOR AND  
11 ECONOMIC GROWTH OR HIS OR HER DESIGNEE SHALL ISSUE A CERTIFICATE TO  
12 THE TAXPAYER THAT STATES THAT THE TAXPAYER IS ELIGIBLE TO CLAIM A  
13 CREDIT UNDER THIS SECTION AND THE AMOUNT OF THE CREDIT. IF AN  
14 APPLICATION IS DENIED UNDER THIS SECTION, A TAXPAYER IS NOT  
15 PROHIBITED FROM SUBSEQUENTLY APPLYING UNDER THIS SECTION FOR A  
16 CREDIT. A TAXPAYER SHALL ATTACH THE CERTIFICATE RECEIVED UNDER THIS  
17 SUBSECTION TO THE RETURN FILED UNDER THIS ACT ON WHICH A CREDIT  
18 ALLOWED UNDER THIS SECTION IS CLAIMED. A TAXPAYER SHALL NOT CLAIM A  
19 CREDIT IN EXCESS OF THE AMOUNT APPROVED UNDER THIS SUBSECTION. THE  
20 ENERGY OFFICE OF THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH SHALL  
21 APPROVE APPLICATIONS IN THE ORDER IN WHICH THEY ARE RECEIVED.

22 [

23  
24 ] APPLICATIONS FOR TAX YEARS THAT BEGIN  
25 DURING 2007 SHALL BE ACCEPTED ON AND AFTER JANUARY 1, 2007.

26 (3) A TAXPAYER THAT IS ALLOWED A CREDIT UNDER THIS SECTION MAY  
27 ASSIGN ALL OR A PORTION OF THE CREDIT. A CREDIT ASSIGNMENT UNDER

1 THIS SUBSECTION IS IRREVOCABLE AND SHALL BE MADE IN THE TAX YEAR IN  
2 WHICH KILOWATT HOURS ON WHICH THE CREDIT IS BASED ARE GENERATED. A  
3 TAXPAYER MAY CLAIM A PORTION OF THE CREDIT ALLOWED UNDER THIS  
4 SECTION AND ASSIGN A PORTION OF THE REMAINING CREDIT AMOUNT. IF THE  
5 TAXPAYER BOTH CLAIMS AND ASSIGNS PORTIONS OF THE CREDIT, THE  
6 TAXPAYER SHALL CLAIM THE PORTION IT CLAIMS IN THE TAX YEAR IN WHICH  
7 THE KILOWATT HOURS ARE GENERATED ON WHICH THE CREDIT UNDER THIS  
8 SECTION IS BASED. AN ASSIGNEE MAY SUBSEQUENTLY ASSIGN A CREDIT OR  
9 ANY PORTION OF A CREDIT ASSIGNED UNDER THIS SUBSECTION. THE CREDIT  
10 ASSIGNMENT UNDER THIS SUBSECTION SHALL BE MADE ON A FORM PRESCRIBED  
11 BY THE DEPARTMENT. THE TAXPAYER SHALL SEND A COPY OF THE COMPLETED  
12 ASSIGNMENT FORM TO THE DEPARTMENT IN THE TAX YEAR IN WHICH THE  
13 ASSIGNMENT IS MADE. THE ASSIGNEE SHALL ATTACH A COPY OF THE  
14 COMPLETED ASSIGNMENT FORM TO ITS ANNUAL RETURN REQUIRED UNDER THIS  
15 ACT FOR THE TAX YEAR IN WHICH THE ASSIGNMENT IS MADE AND THE  
16 ASSIGNEE FIRST CLAIMS A CREDIT, WHICH SHALL BE THE SAME TAX YEAR.

17 (4) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR  
18 AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED UNDER THIS  
19 SECTION EXCEED THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR,  
20 THE EXCESS SHALL NOT BE REFUNDED, BUT MAY BE CARRIED FORWARD AS AN  
21 OFFSET TO THE TAX LIABILITY IN THE SUBSEQUENT TAX YEAR.

22 (5) IT IS THE INTENT OF THE LEGISLATURE THAT IF THE SINGLE  
23 BUSINESS TAX ACT, 1975 PA 228, MCL 208.1 TO 208.145, IS REPEALED, A  
24 TAXPAYER SHALL BE ABLE TO CLAIM A CREDIT AGAINST THE SUCCESSOR TAX  
25 TO THE SINGLE BUSINESS TAX FOR KILOWATT HOURS GENERATED FROM THE  
26 USE OF A SMALL WIND TURBINE OWNED BY THE TAXPAYER AND LOCATED IN  
27 THIS STATE.

1           (6) AS USED IN THIS SECTION, "SMALL WIND TURBINE" MEANS AN  
2 INTEGRATED UNIT CONSISTING OF A WIND TURBINE COMPOSED OF A ROTOR,  
3 AN ELECTRICAL GENERATOR, A CONTROL SYSTEM, AN INVERTER, OR OTHER  
4 POWER CONDITIONING UNIT, AND A TOWER, WHICH USES MOVING AIR TO  
5 PRODUCE POWER WITH A MAXIMUM ELECTRICAL GENERATING CAPACITY OF 5  
6 MEGAWATTS.