

**STATE OF MICHIGAN
93RD LEGISLATURE
REGULAR SESSION OF 2006**

**Introduced by Reps. Moolenaar, Kahn, Walker, Shaffer, Acciavatti, Ward, Garfield, Pastor, Amos,
Van Regenmorter, Casperson, Steil, Kolb, Stahl, Vander Veen and Rick Jones**

ENROLLED HOUSE BILL No. 4647

AN ACT to amend 1975 PA 228, entitled "An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation," (MCL 208.1 to 208.145) by adding section 36g.

The People of the State of Michigan enact:

Sec. 36g. (1) For tax years that begin after December 31, 2006 and before January 1, 2008, a taxpayer that owns a small wind turbine located in this state and uses that small wind turbine to generate energy may claim a credit against the tax imposed by this act equal to \$0.015 per kilowatt hour generated in the tax year.

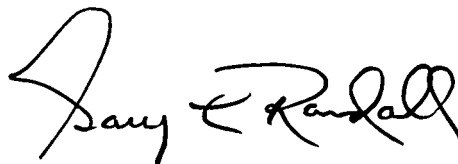
(2) A taxpayer shall apply to the energy office of the department of labor and economic growth for approval of a credit under this section. The director of the department of labor and economic growth or his or her designee is authorized to approve applications under this subsection. An application shall be approved or denied not more than 45 days after receipt of the application. If the application is not approved or denied 45 days after the application is received by the department of labor and economic growth, the application is considered approved for the credit amount stated in the application. The total of all credits under this section shall not exceed \$3,000,000.00 per calendar year. The total of all credits for any 1 taxpayer under this subsection shall not exceed \$750,000.00 for a tax year. If the department of labor and economic growth approves an application under this subsection, the director of the department of labor and economic growth or his or her designee shall issue a certificate to the taxpayer that states that the taxpayer is eligible to claim a credit under this section and the amount of the credit. If an application is denied under this section, a taxpayer is not prohibited from subsequently applying under this section for a credit. A taxpayer shall attach the certificate received under this subsection to the return filed under this act on which a credit allowed under this section is claimed. A taxpayer shall not claim a credit in excess of the amount approved under this subsection. The energy office of the department of labor and economic growth shall approve applications in the order in which they are received. Applications for tax years that begin during 2007 shall be accepted on and after January 1, 2007.

(3) A taxpayer that is allowed a credit under this section may assign all or a portion of the credit. A credit assignment under this subsection is irrevocable and shall be made in the tax year in which kilowatt hours on which the credit is based are generated. A taxpayer may claim a portion of the credit allowed under this section and assign a portion of the remaining credit amount. If the taxpayer both claims and assigns portions of the credit, the taxpayer shall

claim the portion it claims in the tax year in which the kilowatt hours are generated on which the credit under this section is based. An assignee may subsequently assign a credit or any portion of a credit assigned under this subsection. The credit assignment under this subsection shall be made on a form prescribed by the department. The taxpayer shall send a copy of the completed assignment form to the department in the tax year in which the assignment is made. The assignee shall attach a copy of the completed assignment form to its annual return required under this act for the tax year in which the assignment is made and the assignee first claims a credit, which shall be the same tax year.

(4) If the credit allowed under this section for the tax year and any unused carryforward of the credit allowed under this section exceed the tax liability of the taxpayer for the tax year, the excess shall not be refunded, but may be carried forward as an offset to the tax liability in the subsequent tax year.

(5) As used in this section, "small wind turbine" means an integrated unit consisting of a wind turbine composed of a rotor, an electrical generator, a control system, an inverter, or other power conditioning unit, and a tower, which uses moving air to produce power with a maximum electrical generating capacity of 5 megawatts.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor