

HOUSE BILL No. 5146

September 8, 2005, Introduced by Reps. Espinoza, Alma Smith, McDowell, Mayes, Sheltrown, Zelenko, Gonzales, Kehrl, Spade, Bennett, Angerer, Polidori, Miller, Byrnes, Byrum, Gleason, Plakas, Kathleen Law, Accavitti, Dillon, Donigan, Condino, Gillard, Brown, Adamini and Leland 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 35d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 35D. (1) EXCEPT AS PROVIDED IN SUBSECTION (2) AND FOR TAX
2 YEARS THAT BEGIN AFTER DECEMBER 31, 2005 AND BEFORE JANUARY 1,
3 2011, THE FOLLOWING TAXPAYERS MAY CLAIM A CREDIT AGAINST THE TAX
4 IMPOSED UNDER THIS ACT EQUAL TO THE FOLLOWING AMOUNTS:

5 (A) A TAXPAYER THAT IS A RETAIL DEALER THAT ENGAGES IN THE
6 TRANSFER, SALE, DISPENSING, OR OFFERING FOR SALE OF GASOLINE IN
7 THIS STATE LICENSED BY THE DEPARTMENT OF AGRICULTURE UNDER THE
8 MOTOR FUELS QUALITY ACT, 1984 PA 44, MCL 290.641 TO 290.650D, MAY
9 CLAIM A CREDIT EQUAL TO THE SUM OF THE FOLLOWING RELATED TO THE

1 SALE OF QUALIFIED FUELS:

2 (i) THE COST PAID IN THE TAX YEAR FOR EQUIPMENT THAT IS
3 DEDICATED TO THE DISPENSING OF QUALIFIED FUELS.

4 (ii) SPECIAL MAINTENANCE AND LABOR COSTS PAID IN THE TAX YEAR
5 THAT ARE ASSOCIATED WITH THE EQUIPMENT UNDER SUBPARAGRAPH (i).

6 (B) A TAXPAYER THAT IS A BLENDER MAY CLAIM A CREDIT EQUAL TO
7 THE COST PAID IN THE TAX YEAR FOR EQUIPMENT THAT IS DEDICATED TO
8 THE BLENDING OF QUALIFIED FUELS.

9 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR
10 AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED UNDER THIS
11 SECTION EXCEED THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR,
12 THE EXCESS SHALL NOT BE REFUNDED, BUT MAY BE CARRIED FORWARD AS AN
13 OFFSET TO THE TAX LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 TAX
14 YEARS OR UNTIL THE EXCESS CREDIT IS USED UP, WHICHEVER OCCURS
15 FIRST.

16 (3) AS USED IN THIS SECTION:

17 (A) "BIODIESEL FUEL" MEANS A DIESEL FUEL THAT CONSISTS OF
18 MONO-ALKYL ESTERS OF LONG CHAIN FATTY ACIDS DERIVED FROM VEGETABLE
19 OILS OR ANIMAL FATS DESIGNATED B100 AND THAT MEETS THE STANDARDS
20 UNDER D-6751 OF THE AMERICAN SOCIETY FOR TESTING AND MATERIALS.

21 (B) "BLENDER" MEANS THAT TERM AS DEFINED IN SECTION 2 OF THE
22 MOTOR FUELS QUALITY ACT, 1984 PA 44, MCL 290.642.

23 (C) "QUALIFIED FUEL" MEANS ALL OF THE FOLLOWING:

24 (i) BIODIESEL FUEL OR BIODIESEL FUEL BLENDS DESIGNATED B2 OR
25 HIGHER. THE NUMBER FOLLOWING THE B REPRESENTS THE PERCENTAGE OF
26 BIODIESEL FUEL BY VOLUME IN THE BLEND.

27 (ii) FOR A TAXPAYER THAT IS A RETAIL DEALER, ETHANOL OR ETHANOL

1 BLENDS CONTAINING BETWEEN 11% AND 85% DENATURED FUEL ETHANOL BY
2 VOLUME IN THE BLEND. THE DENATURED FUEL ETHANOL MUST MEET THE
3 STANDARDS UNDER D-4806 OF THE AMERICAN SOCIETY FOR TESTING AND
4 MATERIALS.

5 (iii) FOR A TAXPAYER THAT IS A BLENDER, ETHANOL OR ETHANOL
6 BLENDS CONTAINING 10% OR HIGHER DENATURED FUEL ETHANOL BY VOLUME IN
7 THE BLEND. THE DENATURED FUEL ETHANOL MUST MEET THE STANDARDS UNDER
8 D-4806 OF THE AMERICAN SOCIETY FOR TESTING AND MATERIALS.