

# HOUSE BILL No. 6525

September 14, 2006, Introduced by Reps. Nitz, Baxter, Ball, Proos, Moore, Meyer and Stahl  
and referred to the Committee on Agriculture.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
(MCL 206.1 to 206.532) by adding section 276.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 276. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,  
2        2006, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS  
3        ACT EQUAL TO 25% OF THE TOTAL AMOUNT PAID TO PURCHASE AND INSTALL A  
4        BIOMASS BURNING STOVE IN A RESIDENTIAL PROPERTY OWNED BY THE  
5        TAXPAYER.

6        (2) THE TAXPAYER SHALL CLAIM 20% OF THE AMOUNT OF THE CREDIT  
7        ALLOWED UNDER THIS SECTION FOR THE PURCHASE AND INSTALLATION OF  
8        EACH BIOMASS BURNING STOVE IN THE TAX YEAR OF THE PURCHASE AND  
9        INSTALLATION AND 20% OF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS  
10       SECTION FOR THE PURCHASE AND INSTALLATION OF EACH BIOMASS BURNING

1 STOVE IN EACH OF THE SUBSEQUENT 4 TAX YEARS.

2 (3) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION  
3 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT  
4 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE  
5 REFUNDED.

6 (4) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE CLAIMED ON  
7 A FORM DEVELOPED BY THE DEPARTMENT THAT IS A FORM SEPARATE FROM THE  
8 ANNUAL RETURN REQUIRED UNDER THIS ACT AND SHALL BE FILED WITH THE  
9 TAXPAYER'S ANNUAL RETURN EACH YEAR THAT A CREDIT UNDER THIS SECTION  
10 IS CLAIMED.

11 (5) THE TAXPAYER SHALL ATTACH PROOF OF THE PURCHASE AND  
12 INSTALLATION TO THE FORM UNDER SUBSECTION (4) IN THE YEAR THAT THE  
13 TAXPAYER PURCHASES AND INSTALLS THE BIOMASS BURNING STOVE.

14 (6) THE TAXPAYER SHALL ATTACH A RECEIPT FOR BIOMASS FUEL  
15 PURCHASED IN THE TAX YEAR TO THE ANNUAL RETURN ON WHICH A CREDIT  
16 UNDER THIS SECTION IS CLAIMED FOR EACH OF THE 4 YEARS AFTER THE  
17 YEAR IN WHICH THE TAXPAYER PURCHASED AND INSTALLED THE BIOMASS  
18 BURNING STOVE.

19 (7) AS USED IN THIS SECTION:

20 (A) "BIOMASS BURNING STOVE" MEANS A STOVE OR BOILER DESIGNED  
21 SPECIFICALLY TO UTILIZE BIOMASS FUEL AND THAT HAS A CAPACITY OF AT  
22 LEAST 500,000 BTUS. BIOMASS BURNING STOVE DOES NOT INCLUDE A  
23 CONVENTIONAL WOOD BURNING STOVE.

24 (B) "BIOMASS FUEL" MEANS PELLETS MADE FROM AGRICULTURAL OR  
25 FOREST PRODUCTS WASTE, INCLUDING, BUT NOT LIMITED TO, CORN, WOOD,  
26 AND SWITCHGRASS.