

Legislative Analysis



TAX CREDIT FOR RESIDENTIAL PARTICIPANTS IN GREEN ELECTRICITY PROGRAMS

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House Bill 4258

Sponsor: Rep. John Moolenaar

Committee: Energy and Technology

Complete to 6-5-07

A SUMMARY OF HOUSE BILL 4258 AS INTRODUCED 2-13-07

The bill would amend the Income Tax Act to allow residential electricity customers who are homeowners to claim a non-refundable income tax credit, up to a maximum of \$100 per year, equal to the difference they pay on their home electric bills because they participate in a "qualified energy program"—a "green" electricity program meeting specified requirements—versus what they would have paid had they not chosen to participate in the program. The credit would be available in tax years beginning after December 31, 2006. The credit is not refundable; that is, it could not exceed tax liability.

Electric utilities would have to provide participating residential consumers a breakdown on their March bill each year showing (for the previous calendar year): (1) their energy costs under the qualified energy program; and (2) what their energy costs would have been had they not participated in the qualified energy program.

The term "**home**" would mean a principal residence exempt from local school operating taxes under Section 7cc of the General Property Tax Act, MCL 211.7cc.

"**Qualified energy program**" would mean a green energy program approved by the Michigan Public Service Commission and certified by a "nationally recognized, independent, credible third party organization" that verifies both that (1) the program meets certain marketing standards and (2) that the electricity sold under the program comes from a renewable energy resource and its generation meets certain environmental standards.

MCL 206.278

FISCAL IMPACT:

A fiscal analysis is in progress.

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