Legislative Analysis

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ALTERNATIVE FUELS CHECKOFF

House Bill 6462 (H-1 with House floor amendment)
Sponsor: Rep. Fred Miller
Committee: Agriculture

Complete to 11-26-08

A SUMMARY OF HOUSE BILL 6462 AS PASSED BY THE HOUSE

The bill would amend the Income Tax Act (MCL 206.435) to create a new checkoff on the state income tax form, with the proceeds to go to the Alternative Fuels Fund. This would begin with the 2009 tax year.

A taxpayer could designate that $5, $10, or more of a refund be credited to the Fund. If a refund was not sufficient to make a contribution, the taxpayer could designate a contribution amount that would be added to tax liability for the tax year.

The Alternative Fuels Fund would be created by House Bill 5750 or Senate Bill 1130 of this session. As passed by the House, House Bill 6462 is tie-barred to Senate Bill 1130.

The Alternative Fuels Fund would be used to do one or more of the following:

- Promote the production and use of alternative fuels.
- Award grants to improve the production of alternative fuels in Michigan.
- Encourage the development of quality standards for renewable fuels.
- Provide incentives to retailers who sell renewable fuels.
- Promote the sale of vehicles that run on renewable fuels.

"Alternative fuels" would include biodiesel, biodiesel blends, hydrogen fuel, and E85 fuel.

FISCAL IMPACT:

Taxpayer donations would come from their income tax refunds or would increase their tax liability. Based on data from Michigan and other states, between $200,000 and $500,000 could be generated annually from a checkoff. However, the popularity of a particular checkoff and the additions of choices for checkoff contributions also affect the revenue generated for each checkoff. This bill would have no direct local fiscal impact.

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