

Legislative Analysis



MBT CREDIT FOR PLUG-IN CAR BATTERIES

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House Bill 6611

Sponsor: Rep. Lee Gonzales

Committee: Tax Policy

Complete to 11-10-08

A SUMMARY OF HOUSE BILL 6611 AS INTRODUCED 11-6-08

House Bill 6611 would amend the Michigan Business Tax Act to provide a refundable credit to taxpayers that manufacture plug-in traction battery packs (a type of battery that could power motor vehicles) in Michigan and enter into an agreement with the Michigan Economic Growth Authority (MEGA). The credit would be available for the 2010 through 2014 tax years, would be \$500-\$2,000 per vehicle, and would be capped (in total, for all eligible taxpayers), as shown in the chart below. The credit would be refundable or, at the taxpayer's option, could be carried forward for up to 10 years to offset future tax liability.

Tax Year	Credit/Vehicle	Max. Vehicles
2010	\$2,000	10,000
2011	\$2,000	10,000
2012	\$1,500	25,000
2013	\$1,000	60,000
2014	\$500	60,000

The agreement with the Michigan Economic Growth Authority would have to specify the number of battery packs eligible for the credit and the maximum amount of the credit that could be claimed for each tax year. The MEGA would provide each eligible taxpayer with a certificate attesting that that taxpayer is eligible for the credit. The certificate would have to be attached to the taxpayer's annual MBT return.

MCL 208.1434

FISCAL IMPACT:

The chart above indicates that the maximum amount of credits would total \$20.0 million in 2010 and 2011, \$37.5 million in 2012, \$60.0 million in 2013, and \$30.0 million in 2014.

Legislative Analyst: Mark Wolf

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