

SUBSTITUTE FOR  
HOUSE BILL NO. 5878

A bill to amend 2007 PA 36, entitled  
"Michigan business tax act,"  
(MCL 208.1101 to 208.1601) by adding section 460.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1           SEC. 460. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2008  
2   AND END BEFORE JANUARY 1, 2012, SUBJECT TO THE LIMITATIONS PROVIDED  
3   UNDER THIS SECTION, A TAXPAYER THAT IS AN OWNER OF A SERVICE  
4   STATION MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT  
5   EQUAL TO 30% OF THE COST INCURRED DURING THE TAX YEAR TO CONVERT  
6   EXISTING FUEL DELIVERY SYSTEMS TO PROVIDE E85 FUEL OR QUALIFIED  
7   BIODIESEL BLENDS AND TO CREATE NEW FUEL DELIVERY SYSTEMS DESIGNED  
8   TO PROVIDE E85 FUEL OR QUALIFIED BIODIESEL BLENDS, NOT TO EXCEED  
9   \$20,000.00 PER TAX YEAR PER TAXPAYER.

10           (2) IN DETERMINING THE AMOUNT OF THE CREDIT UNDER SUBSECTION

House Bill No. 5878 (H-2) as amended December 3, 2008

1 (1), A TAXPAYER SHALL NOT INCLUDE ANY COSTS TO CONVERT EXISTING  
2 FUEL DELIVERY SYSTEMS TO PROVIDE E85 FUEL OR QUALIFIED BIODIESEL  
3 BLENDS OR TO CREATE NEW FUEL DELIVERY SYSTEMS DESIGNED TO PROVIDE  
4 E85 FUEL OR QUALIFIED BIODIESEL BLENDS FOR WHICH THE TAXPAYER  
5 RECEIVED A GRANT UNDER THE SERVICE STATION MATCHING GRANT PROGRAM  
6 CREATED UNDER SECTION 78 OF THE MICHIGAN STRATEGIC FUND ACT, 1984  
7 PA 270, MCL 125.2078.

8 (3) THE TOTAL AMOUNT OF ALL CREDITS ALLOWED UNDER THIS SECTION  
9 SHALL NOT EXCEED \$1,000,000.00 PER CALENDAR YEAR. IF THE CREDIT  
10 ALLOWED UNDER THIS SECTION EXCEEDS THE LIABILITY OF THE TAXPAYER  
11 FOR THE TAX YEAR, THAT PORTION OF THE CREDIT THAT EXCEEDS THE TAX  
12 LIABILITY SHALL NOT BE REFUNDED.

13 (4) A TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION  
14 UNLESS THE [ENERGY OFFICE ] HAS ISSUED A CERTIFICATE TO THE  
15 TAXPAYER. THE TAXPAYER SHALL ATTACH THE CERTIFICATE TO THE ANNUAL  
16 RETURN FILED UNDER THIS ACT ON WHICH THE CREDIT UNDER THIS SECTION  
17 IS CLAIMED. THE CERTIFICATE REQUIRED BY THIS SUBSECTION SHALL STATE  
18 ALL OF THE FOLLOWING:

19 (A) THE TAXPAYER IS THE OWNER OF A SERVICE STATION AND HAS  
20 CONVERTED EXISTING FUEL DELIVERY SYSTEMS TO PROVIDE E85 FUEL OR  
21 QUALIFIED BIODIESEL BLENDS OR CREATED NEW FUEL DELIVERY SYSTEMS  
22 DESIGNED TO PROVIDE E85 FUEL OR QUALIFIED BIODIESEL BLENDS, OR  
23 BOTH, DURING THE TAX YEAR FOR WHICH THIS CREDIT IS SOUGHT.

24 (B) THE AMOUNT OF THE COSTS INCURRED BY THE TAXPAYER DURING  
25 THE DESIGNATED TAX YEAR TO CONVERT EXISTING FUEL DELIVERY SYSTEMS  
26 TO PROVIDE E85 FUEL OR QUALIFIED BIODIESEL BLENDS AND TO CREATE NEW  
27 FUEL DELIVERY SYSTEMS DESIGNED TO PROVIDE E85 FUEL OR QUALIFIED

1 BIODIESEL BLENDS AND THE AMOUNT OF ANY GRANT AWARDED DURING THE  
2 DESIGNATED TAX YEAR TO THE TAXPAYER BASED ON THE SAME COSTS.

3 (C) THE TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER OR  
4 THE MICHIGAN DEPARTMENT OF TREASURY NUMBER ASSIGNED TO THE  
5 TAXPAYER.

6 (5) A TAXPAYER THAT CLAIMS A CREDIT UNDER THIS SECTION AND  
7 SUBSEQUENTLY STOPS USING THE FUEL DELIVERY SYSTEMS TO PROVIDE E85  
8 FUEL OR QUALIFIED BIODIESEL BLENDS OR WITHIN 3 YEARS OF RECEIVING  
9 THIS CREDIT MAY, AS DETERMINED BY THE MICHIGAN STRATEGIC FUND, HAVE  
10 ITS CREDIT REDUCED OR TERMINATED OR HAVE A PERCENTAGE OF THE CREDIT  
11 AMOUNT PREVIOUSLY CLAIMED UNDER THIS SECTION ADDED BACK TO THE TAX  
12 LIABILITY OF THE TAXPAYER IN THE YEAR THAT THE TAXPAYER STOPS USING  
13 THE FUEL DELIVERY SYSTEMS TO PROVIDE E85 FUEL OR QUALIFIED  
14 BIODIESEL BLENDS.

15 (6) AS USED IN THIS SECTION:

16 (A) "BIODIESEL" MEANS A FUEL COMPOSED OF MONOALKYL ESTERS OF  
17 LONG CHAIN FATTY ACIDS DERIVED FROM VEGETABLE OILS OR ANIMAL FATS,  
18 AND, IN ACCORDANCE WITH STANDARDS SPECIFIED BY THE AMERICAN SOCIETY  
19 FOR TESTING AND MATERIALS, DESIGNATED B100, AND MEETING THE  
20 REQUIREMENTS OF D-6751, AS APPROVED BY THE DEPARTMENT OF  
21 AGRICULTURE.

22 (B) "BIODIESEL BLEND" MEANS A FUEL COMPOSED OF A BLEND OF  
23 BIODIESEL FUEL WITH PETROLEUM-BASED DIESEL FUEL, SUITABLE FOR USE  
24 AS A FUEL IN A COMPRESSION-IGNITION INTERNAL COMBUSTION DIESEL  
25 ENGINE.

26 (C) "E85 FUEL" MEANS A FUEL BLEND CONTAINING BETWEEN 70% AND  
27 85% DENATURED FUEL ETHANOL AND GASOLINE SUITABLE FOR USE IN A

1 SPARK-IGNITION ENGINE AND THAT MEETS AMERICAN SOCIETY FOR TESTING  
2 AND MATERIALS D-5798 SPECIFICATIONS.

3 (D) "MICHIGAN STRATEGIC FUND" MEANS THE MICHIGAN STRATEGIC  
4 FUND AS DESCRIBED IN THE MICHIGAN STRATEGIC FUND ACT, 1984 PA 270,  
5 MCL 125.2001 TO 125.2094.

6 (E) "QUALIFIED BIODIESEL BLENDS" MEANS ANY BIODIESEL BLEND  
7 THAT IS BLENDED ON SITE UTILIZING ON-DEMAND BIO-BLENDING EQUIPMENT  
8 THAT IS INSTALLED AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT  
9 THAT ADDED THIS SECTION.