

SUBSTITUTE FOR
SENATE BILL NO. 1048

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 253.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 253. (1) FOR THE 2008 TAX YEAR AND EACH TAX YEAR AFTER
2 2008, A TAXPAYER THAT PURCHASES AND INSTALLS CERTAIN QUALIFIED HOME
3 IMPROVEMENTS FOR HIS OR HER PRINCIPAL RESIDENCE DURING THE TAX YEAR
4 MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 10%
5 OF THE AMOUNT PAID BY THE TAXPAYER IN THE TAX YEAR FOR THE PURCHASE
6 AND INSTALLATION OF EACH QUALIFIED HOME IMPROVEMENT OR \$100.00, OR
7 FOR A HUSBAND AND WIFE FILING A JOINT RETURN AS PROVIDED IN SECTION
8 311, \$200.00 FOR EACH QUALIFIED HOME IMPROVEMENT PURCHASED AND
9 INSTALLED DURING THE TAX YEAR, WHICHEVER IS LESS. TO CLAIM THE
10 CREDIT ALLOWED UNDER THIS SUBSECTION, THE TAXPAYER SHALL, ON A FORM

1 OR IN A FORMAT AS PRESCRIBED BY THE DEPARTMENT, PROVIDE
2 VERIFICATION OF THE AMOUNT PAID FOR THE PURCHASE AND INSTALLATION
3 OF THE QUALIFIED HOME IMPROVEMENT ALONG WITH DOCUMENTATION OF ITS
4 COMPLIANCE WITH THE ENERGY STAR ENERGY EFFICIENCY GUIDELINES AND
5 ATTACH THAT VERIFICATION TO HIS OR HER ANNUAL RETURN UNDER THIS ACT
6 FOR THE TAX YEAR IN WHICH THE CREDIT UNDER THIS SECTION IS CLAIMED.
7 IF THE CREDIT ALLOWED UNDER THIS SUBSECTION EXCEEDS THE TAX
8 LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT PORTION OF THE
9 CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE REFUNDED.

10 (2) FOR THE 2008 TAX YEAR AND EACH TAX YEAR AFTER 2008, A
11 TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT
12 EQUAL TO THE ADDITIONAL CHARGES INCURRED BY THE TAXPAYER DURING THE
13 TAX YEAR AS A RESULT OF THE CHARGES IMPOSED BY THE TAXPAYER'S
14 ELECTRIC UTILITY PROVIDER TO RECOVER THE INCREMENTAL COSTS OF
15 COMPLIANCE WITH THE INTEGRATED RENEWABLE ENERGY PORTFOLIO STANDARD
16 UNDER SECTION 27 OF THE CLEAN, RENEWABLE, AND EFFICIENT ENERGY ACT.
17 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ON THE ENERGY BILLING
18 STATEMENT THAT IS SENT TO THE TAXPAYER IN JANUARY OF EACH YEAR, THE
19 ELECTRIC UTILITY PROVIDER THAT IMPOSES RECOVERY CHARGES SHALL
20 INCLUDE A STATEMENT DETAILING THE TOTAL AMOUNT OF RECOVERY CHARGES
21 IMPOSED AND PAID BY THE TAXPAYER DURING THE YEAR AND INFORMING THE
22 TAXPAYER THAT HE OR SHE MAY CLAIM A CREDIT AGAINST HIS OR HER
23 INCOME TAX LIABILITY BASED ON THOSE CHARGES. IF THE CREDIT ALLOWED
24 UNDER THIS SUBSECTION EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR
25 THE TAX YEAR, THAT PORTION OF THE CREDIT THAT EXCEEDS THE TAX
26 LIABILITY SHALL NOT BE REFUNDED.

27 (3) AS USED IN THIS SECTION:

1 (A) "ELECTRIC UTILITY" MEANS THAT TERM AS DEFINED UNDER
2 SECTION 10G OF 1939 PA 3, MCL 460.10G.

3 (B) "QUALIFIED HOME IMPROVEMENT" MEANS ANY QUALIFIED ENERGY
4 STAR PRODUCT INTENDED FOR RESIDENTIAL OR NONCOMMERCIAL USE THAT
5 MEETS OR EXCEEDS THE APPLICABLE ENERGY STAR ENERGY EFFICIENCY
6 GUIDELINES DEVELOPED BY THE UNITED STATES ENVIRONMENTAL PROTECTION
7 AGENCY AND THE UNITED STATES DEPARTMENT OF ENERGY, INCLUDING, BUT
8 NOT LIMITED TO, WINDOWS, DOORS, INSULATION, HIGH EFFICIENCY HEATING
9 AND COOLING EQUIPMENT, AND ANY APPLIANCES SUCH AS DISHWASHERS,
10 CLOTHES WASHERS, AND REFRIGERATORS.