

# HOUSE BILL No. 4727

May 8, 2007, Introduced by Reps. Byrum, Brown, Mayes, Espinoza, Lahti, Byrnes, Valentine, McDowell, Condino, Simpson, Meisner, Corriveau, Gonzales, Cushingberry and Johnson and referred to the Committee on Agriculture.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
(MCL 206.1 to 206.532) by adding section 273.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           SEC. 273. (1) FOR TAX YEARS THAT BEGIN ON AND AFTER JANUARY 1,  
2 2007 AND BEFORE JANUARY 1, 2012, A TAXPAYER THAT COLLECTS, HANDLES,  
3 PACKAGES, SORTS, PREPARES, DRIES, DENSIFIES, OR STORES BIOMASS TO  
4 DELIVER OR RELEASE THAT BIOMASS TO BIOMASS CONVERSION FACILITIES  
5 THAT PROCESS OR CONVERT THE BIOMASS INTO BIOFUELS, BIOENERGY, OR  
6 BIOPRODUCTS MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT  
7 EQUAL TO \$5.00 FOR EVERY DRY TON OF BIOMASS THAT THE TAXPAYER  
8 DELIVERED OR RELEASED TO A BIOMASS CONVERSION FACILITY IN THE TAX  
9 YEAR, NOT TO EXCEED \$25,000.00 PER TAX YEAR PER EACH TAXPAYER.  
10           (2) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION

1 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT  
2 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL NOT BE  
3 REFUNDED.

4 (3) AS USED IN THIS SECTION:

5 (A) "BIOENERGY" MEANS HEAT OR ELECTRICITY PRODUCED FROM THE  
6 THERMAL, MECHANICAL, OR BIOLOGICAL PROCESSING OF BIOMASS. BIOENERGY  
7 DOES NOT INCLUDE HEAT OR ELECTRICITY PRODUCED FROM THE DIRECT  
8 COMBUSTION OF BIOMASS.

9 (B) "BIOFUELS" MEANS ETHANOL, BIODIESEL, BUTANOL, OR OTHER  
10 LIQUID FUELS PRODUCED FROM BIOMASS.

11 (C) "BIOMASS" MEANS ANY ORGANIC MATTER THAT IS AVAILABLE ON A  
12 RENEWABLE OR RECURRING BASIS, INCLUDING, BUT NOT LIMITED TO,  
13 AGRICULTURAL CROPS, CERTAIN TREES AND GRASSES, PLANTS, WOOD  
14 RESIDUES, FOREST INDUSTRY RESIDUES AND WASTES, FOOD PROCESSING  
15 WASTES, MUNICIPAL SOLID WASTES, AND AGRICULTURAL RESIDUES AND  
16 WASTES SUCH AS CORNSTALKS, CORNCOBS, AND MANURE.

17 (D) "BIOPRODUCTS" MEANS INDUSTRIAL, COMMERCIAL, OR CONSUMER  
18 PRODUCTS MADE WITH, OR COMPOSED IN WHOLE OR IN SIGNIFICANT PART OF,  
19 FIBERS, SOLID, LIQUID, OR GASEOUS CHEMICALS, PROTEINS,  
20 CARBOHYDRATES, LIPIDS, MINERALS, OR ANY OTHER SUBSTANCE PRODUCED  
21 FROM BIOMASS.