

HOUSE BILL No. 6611

November 6, 2008, Introduced by Reps. Gonzales, Bieda, Clemente, Polidori, Hammel, Spade, Cushingberry, Bennett, Leland, Valentine and Clack and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
(MCL 208.1101 to 208.1601) by adding section 434.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 434. (1) SUBJECT TO THE LIMITATIONS PROVIDED UNDER THIS
2 SECTION, FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2009 AND
3 BEFORE JANUARY 1, 2015, A TAXPAYER THAT HAS ENTERED INTO AN
4 AGREEMENT WITH THE MICHIGAN ECONOMIC GROWTH AUTHORITY THAT PROVIDES
5 THAT THE TAXPAYER WILL MANUFACTURE PLUG-IN TRACTION BATTERY PACKS
6 IN THIS STATE MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS
7 ACT FOR THE MANUFACTURE OF THOSE PLUG-IN TRACTION BATTERY PACKS AS
8 PROVIDED IN THIS SECTION. THE MICHIGAN ECONOMIC GROWTH AUTHORITY
9 MAY ENTER INTO MORE THAN 1 AGREEMENT UNDER THIS SECTION. HOWEVER,

1 THE TOTAL NUMBER OF PLUG-IN TRACTION BATTERY PACKS ELIGIBLE FOR ALL
2 CREDITS UNDER ALL AGREEMENTS ALLOWED UNDER THIS SECTION SHALL NOT
3 EXCEED THE NUMBER OF PLUG-IN TRACTION BATTERY PACKS ELIGIBLE FOR A
4 CREDIT AS PROVIDED IN THIS SECTION. THE TOTAL OF ALL CREDITS
5 ALLOWED UNDER THIS SECTION SHALL BE AS FOLLOWS:

6 (A) FOR THE 2010 TAX YEAR, \$2,000.00 FOR EACH PLUG-IN TRACTION
7 BATTERY PACK NOT TO EXCEED A TOTAL OF 10,000 PLUG-IN TRACTION
8 BATTERY PACK UNITS.

9 (B) FOR THE 2011 TAX YEAR, \$2,000.00 FOR EACH PLUG-IN TRACTION
10 BATTERY PACK NOT TO EXCEED A TOTAL OF 10,000 PLUG-IN TRACTION
11 BATTERY PACK UNITS.

12 (C) FOR THE 2012 TAX YEAR, \$1,500.00 FOR EACH PLUG-IN TRACTION
13 BATTERY PACK NOT TO EXCEED A TOTAL OF 25,000 PLUG-IN TRACTION
14 BATTERY PACK UNITS.

15 (D) FOR THE 2013 TAX YEAR, \$1,000.00 FOR EACH PLUG-IN TRACTION
16 BATTERY PACK NOT TO EXCEED A TOTAL OF 60,000 PLUG-IN TRACTION
17 BATTERY PACK UNITS.

18 (E) FOR THE 2014 TAX YEAR, \$500.00 FOR EACH PLUG-IN TRACTION
19 BATTERY PACK NOT TO EXCEED A TOTAL OF 60,000 PLUG-IN TRACTION
20 BATTERY PACK UNITS.

21 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX
22 LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THE TAXPAYER MAY ELECT
23 TO HAVE THAT PORTION THAT EXCEEDS THE TAX LIABILITY OF THE TAXPAYER
24 REFUNDED OR TO HAVE THE EXCESS CARRIED FORWARD TO OFFSET TAX
25 LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP,
26 WHICHEVER OCCURS FIRST.

27 (3) AN AGREEMENT ENTERED INTO UNDER THIS SECTION SHALL SPECIFY

1 ALL OF THE FOLLOWING:

2 (A) THE NUMBER OF PLUG-IN TRACTION BATTERY PACKS ELIGIBLE FOR
3 A CREDIT FOR EACH TAX YEAR COVERED BY THE PERIOD OF THE AGREEMENT
4 AND THE MAXIMUM AMOUNT OF THE CREDIT THAT MAY BE CLAIMED BY THE
5 TAXPAYER IN EACH TAX YEAR.

6 (B) THE TOTAL CREDIT THAT MAY BE CLAIMED UNDER THIS SECTION.

7 (4) A TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION
8 UNLESS THE MICHIGAN ECONOMIC GROWTH AUTHORITY HAS ISSUED A
9 CERTIFICATE TO THE TAXPAYER. THE TAXPAYER SHALL ATTACH THE
10 CERTIFICATE TO THE ANNUAL RETURN FILED UNDER THIS ACT ON WHICH A
11 CREDIT UNDER THIS SECTION IS CLAIMED. THE CERTIFICATE REQUIRED
12 UNDER THIS SUBSECTION SHALL STATE ALL OF THE FOLLOWING:

13 (A) THE TAXPAYER IS LOCATED IN THIS STATE AND ENGAGED IN THE
14 MANUFACTURING OF PLUG-IN TRACTION BATTERY PACKS AND QUALIFIES FOR
15 THE CREDIT UNDER THIS SECTION.

16 (B) THE TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER OR
17 THE MICHIGAN DEPARTMENT OF TREASURY NUMBER ASSIGNED TO THE TAXPAYER
18 AND, FOR A TAXPAYER THAT IS A UNITARY BUSINESS GROUP, THE FEDERAL
19 EMPLOYER IDENTIFICATION NUMBER OR MICHIGAN DEPARTMENT OF TREASURY
20 NUMBER ASSIGNED TO THE MEMBER OF THE GROUP ENGAGED IN THIS STATE IN
21 THE MANUFACTURING OF PLUG-IN TRACTION BATTERY PACKS.

22 (C) THE NUMBER OF PLUG-IN TRACTION BATTERY PACKS MANUFACTURED
23 BY THE TAXPAYER DURING THE DESIGNATED TAX YEAR AND THE AMOUNT OF
24 THE CREDIT UNDER THIS SECTION FOR WHICH THE TAXPAYER IS ALLOWED TO
25 CLAIM FOR THE DESIGNATED TAX YEAR.

26 (5) AS USED IN THIS SECTION:

27 (A) "MICHIGAN ECONOMIC GROWTH AUTHORITY" MEANS THE MICHIGAN

1 ECONOMIC GROWTH AUTHORITY CREATED IN THE MICHIGAN ECONOMIC GROWTH
2 AUTHORITY ACT, 1995 PA 24, MCL 207.801 TO 207.810.

3 (B) "PLUG-IN TRACTION BATTERY PACK" MEANS AN ELECTRO-CHEMICAL
4 ENERGY STORAGE DEVICE THAT MEETS THE FOLLOWING REQUIREMENTS:

5 (i) HAS A TRACTION BATTERY CAPACITY OF NOT LESS THAN 8.0
6 KILOWATT HOURS. FOR PURPOSES OF THIS SUBPARAGRAPH, TRACTION BATTERY
7 CAPACITY SHALL BE MEASURED BY THE NUMBER OF KILOWATT HOURS FROM A
8 100% STATE OF CHARGE TO A 0% STATE OF CHARGE.

9 (ii) IS EQUIPPED WITH AN ELECTRICAL PLUG BY MEANS OF WHICH IT
10 CAN BE ENERGIZED AND RECHARGED WHEN PLUGGED INTO AN EXTERNAL SOURCE
11 OF POWER.

12 (iii) CONSISTS OF STANDARDIZED CONFIGURATION AND IS MASS
13 PRODUCED.

14 (iv) HAS BEEN TESTED AND APPROVED BY THE NATIONAL HIGHWAY
15 TRANSPORTATION SAFETY ADMINISTRATION AS COMPLIANT WITH APPLICABLE
16 MOTOR VEHICLE AND MOTOR VEHICLE EQUIPMENT SAFETY STANDARDS WHEN
17 INSTALLED BY A MECHANIC WITH STANDARDIZED TRAINING IN PROTOCOLS
18 ESTABLISHED BY THE MANUFACTURER AS PART OF A NATIONWIDE
19 DISTRIBUTION PROGRAM.