

HOUSE BILL No. 6687

November 19, 2008, Introduced by Rep. Mayes and referred to the Committee on Energy and Technology.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
by amending sections 432, 432a, and 432b (MCL 208.1432, 208.1432a,
and 208.1432b), section 432 as added by 2008 PA 263, section 432a
as added by 2008 PA 267, and section 432b as added by 2008 PA 265.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 432. (1) A qualified taxpayer that has entered into an
2 agreement with the Michigan economic growth authority that provides
3 that the qualified taxpayer will construct and operate a new or
4 expanded facility described in the agreement under this section for
5 the manufacture of polycrystalline silicon may claim a credit
6 against the tax imposed by this act for a period of 12 years
7 calculated as provided in sections 432a through 432d and claimed

1 for the tax years as provided in sections 432a through 432d. This
2 credit shall be taken after all other credits provided under this
3 act.

4 (2) The Michigan economic growth authority shall not enter
5 into more than 1 agreement under this section and shall not enter
6 into an agreement after December 31, 2008.

7 (3) A qualified taxpayer shall not claim a credit under
8 sections 432a through 432d unless the Michigan economic growth
9 authority has issued a certificate to that taxpayer. The qualified
10 taxpayer shall attach the certificate to the annual return filed
11 under this act on which a credit under this section is claimed.

12 (4) The certificate required under subsection (3) shall state
13 all of the following:

14 (a) The taxpayer is a qualified taxpayer.

15 (b) The amount of the credit under this section for the
16 qualified taxpayer for the designated tax year.

17 (c) The taxpayer's federal employer identification number or
18 the Michigan department of treasury number assigned to the taxpayer
19 and for a taxpayer that is a unitary business group, the federal
20 employer identification number or Michigan department of treasury
21 number assigned to the member of the group engaged in this state in
22 the manufacture of polycrystalline silicon for solar cells and
23 semiconductor microchips.

24 (5) For purposes of this section and sections 432a through
25 432d:

26 (a) "Guaranteed cost of electricity" means the following:

27 (i) For a tax year ~~that begins~~ **BEGINNING** after December 31,

1 2011 and **ENDING** before January 1, 2019, 4.85 cents per kilowatt
2 hour.

3 (ii) For a tax year ~~that begins~~ **BEGINNING** after December 31,
4 2018 and **ENDING** before January 1, 2021, 5.20 cents per kilowatt
5 hour.

6 (iii) For a tax year ~~that begins~~ **BEGINNING** after December 31,
7 2020 and **ENDING** before January 1, 2024, 6.00 cents per kilowatt
8 hour.

9 (b) "Projected cost of electricity" means the following:

10 (i) For a tax year ~~that begins~~ **BEGINNING** after December 31,
11 2011 and **ENDING** before January 1, 2013, 6.49 cents per kilowatt
12 hour.

13 (ii) For a tax year ~~that begins~~ **BEGINNING** after December 31,
14 2012 and **ENDING** before January 1, 2014, 6.66 cents per kilowatt
15 hour.

16 (iii) For a tax year ~~that begins~~ **BEGINNING** after December 31,
17 2013 and **ENDING** before January 1, 2015, 6.84 cents per kilowatt
18 hour.

19 (iv) For a tax year ~~that begins~~ **BEGINNING** after December 31,
20 2014 and **ENDING** before January 1, 2016, 7.02 cents per kilowatt
21 hour.

22 (v) For a tax year ~~that begins~~ **BEGINNING** after December 31,
23 2015 and **ENDING** before January 1, 2017, 7.20 cents per kilowatt
24 hour.

25 (vi) For a tax year ~~that begins~~ **BEGINNING** after December 31,
26 2016 and **ENDING** before January 1, 2018, 7.40 cents per kilowatt
27 hour.

(vii) For a tax year ~~that begins~~ **BEGINNING** after December 31, 2017 and **ENDING** before January 1, 2019, 7.59 cents per kilowatt hour.

(viii) For a tax year ~~that begins~~ **BEGINNING** after December 31, 2018 and **ENDING** before January 1, 2020, 7.79 cents per kilowatt hour.

(ix) For a tax year ~~that begins~~ **BEGINNING** after December 31, 2019 and **ENDING** before January 1, 2021, 8.00 cents per kilowatt hour.

(x) For a tax year ~~that begins~~ **BEGINNING** after December 31, 2020 and **ENDING** before January 1, 2022, 8.21 cents per kilowatt hour.

(xi) For a tax year ~~that begins~~ **BEGINNING** after December 31, 2021 and **ENDING** before January 1, 2023, 8.43 cents per kilowatt hour.

(xii) For a tax year ~~that begins~~ **BEGINNING** after December 31, 2022 and **ENDING** before January 1, 2024, 8.65 cents per kilowatt hour.

(c) "Qualified taxpayer" means a taxpayer whose business activity conducted in this state includes the manufacturing of polycrystalline silicon for solar cells and semiconductor microchips.

Sec. 432a. (1) For tax years ~~that begin~~ **BEGINNING** after December 31, 2011 and **ENDING** before January 1, 2016, a qualified taxpayer that has received a certificate under section 432 may claim a credit equal to the product obtained by multiplying the qualified consumption of electricity times the difference between

1 the guaranteed cost of electricity and the actual delivered price
2 of electricity billed to the qualified taxpayer under a tariff rate
3 approved by the public service commission or the projected cost of
4 electricity, whichever is less.

5 (2) If the credit allowed under this section exceeds the tax
6 liability of the qualified taxpayer for the tax year, the qualified
7 taxpayer may elect to have that portion that exceeds the tax
8 liability of the qualified taxpayer refunded or to have the excess
9 carried forward to offset the tax liability in subsequent years for
10 10 years or until used up, whichever occurs first.

11 (3) As used in this section, "qualified consumption of
12 electricity" means up to 1,445,400 megawatt hours of electricity
13 consumed during the tax year at a facility described by an
14 agreement entered into under section 432.

15 Sec. 432b. (1) For tax years ~~that begin~~ **BEGINNING** after
16 December 31, 2015 and **ENDING** before January 1, 2022, a qualified
17 taxpayer that has received a certificate under section 432 may
18 claim a credit equal to the product obtained by multiplying the
19 qualified consumption of electricity times the difference between
20 the projected cost of electricity and the guaranteed cost of
21 electricity.

22 (2) If the credit allowed under this section exceeds the tax
23 liability of the qualified taxpayer for the tax year, the qualified
24 taxpayer may elect to have that portion that exceeds the tax
25 liability of the qualified taxpayer refunded or to have the excess
26 carried forward to offset the tax liability in subsequent years for
27 10 years or until used up, whichever occurs first.

1 (3) As used in this section, "qualified consumption of
2 electricity" means up to 1,445,400 megawatt hours of electricity
3 consumed during the tax year at a facility described by an
4 agreement entered into under section 432.