

# SENATE BILL No. 1659

December 2, 2008, Introduced by Senator BROWN and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
(MCL 206.1 to 206.532) by adding section 278.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1           SEC. 278. (1) A QUALIFIED TAXPAYER THAT HAS A PREAPPROVAL  
2   LETTER ISSUED AFTER DECEMBER 31, 2008 AND BEFORE JANUARY 1, 2013  
3   MAY CLAIM A CREDIT THAT HAS BEEN APPROVED UNDER THIS SECTION  
4   AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO EITHER OF THE  
5   FOLLOWING:

6           (A) IF THE MICHIGAN DEPARTMENT OF AGRICULTURE DETERMINES THAT  
7   THE QUALIFIED TAXPAYER'S BEEF OR DAIRY FARM IS LOCATED IN A COUNTY  
8   WITHIN A MODIFIED ACCREDITED ZONE THAT AS OF DECEMBER 31, 2007 HAS  
9   MORE THAN 10 FREE-RANGING CERVIDS THAT HAVE TESTED POSITIVE FOR

1 BOVINE TUBERCULOSIS SINCE JANUARY 1, 1995, 100% OF THE QUALIFIED  
2 TAXPAYER'S INVESTMENT PAID OR ACCRUED BY THE QUALIFIED TAXPAYER ON  
3 PROJECTS COMPLETED IN ACCORDANCE WITH THE QUALIFIED TAXPAYER'S  
4 WILDLIFE RISK MITIGATION ACTION PLAN PROVIDED THAT THE INVESTMENTS  
5 DO NOT EXCEED THE AMOUNT STATED IN THE PREAPPROVAL LETTER.

6 (B) IF THE MICHIGAN DEPARTMENT OF AGRICULTURE DETERMINES THAT  
7 THE QUALIFIED TAXPAYER'S BEEF OR DAIRY FARM IS LOCATED IN A  
8 MODIFIED ACCREDITED ZONE OTHER THAN WITHIN A COUNTY DESCRIBED UNDER  
9 SUBDIVISION (A), 50% OF THE QUALIFIED TAXPAYER'S INVESTMENT PAID OR  
10 ACCRUED BY THE QUALIFIED TAXPAYER ON PROJECTS COMPLETED IN  
11 ACCORDANCE WITH THE QUALIFIED TAXPAYER'S WILDLIFE RISK MITIGATION  
12 ACTION PLAN PROVIDED THAT THE INVESTMENTS DO NOT EXCEED THE AMOUNT  
13 STATED IN THE PREAPPROVAL LETTER.

14 (2) THE QUALIFIED TAXPAYER SHALL APPLY TO THE MICHIGAN  
15 DEPARTMENT OF AGRICULTURE FOR APPROVAL OF THE WILDLIFE RISK  
16 MITIGATION ACTION PLAN. THE MICHIGAN DEPARTMENT OF AGRICULTURE IS  
17 AUTHORIZED TO APPROVE AN APPLICATION OR PROJECT UNDER THIS  
18 SUBSECTION. A PLAN OR PROJECT SHALL BE APPROVED OR DENIED NOT MORE  
19 THAN 60 DAYS AFTER RECEIPT OF THE APPLICATION. IF THE MICHIGAN  
20 DEPARTMENT OF AGRICULTURE APPROVES A PLAN OR A PROJECT UNDER THIS  
21 SUBSECTION, THE MICHIGAN DEPARTMENT OF AGRICULTURE SHALL ISSUE A  
22 PREAPPROVAL LETTER THAT STATES THAT THE TAXPAYER IS A QUALIFIED  
23 TAXPAYER; THE MAXIMUM TOTAL INVESTMENT FOR EACH PROJECT INCLUDED IN  
24 THE WILDLIFE RISK MITIGATION ACTION PLAN AND THE MAXIMUM TOTAL OF  
25 ALL CREDITS FOR THE WILDLIFE RISK MITIGATION ACTION PLAN WHEN THE  
26 PROJECT OR PROJECTS ARE COMPLETED AND A CERTIFICATE OF COMPLETION  
27 IS ISSUED; AND THE WILDLIFE RISK MITIGATION ACTION PLAN NUMBER

1 ASSIGNED BY THE MICHIGAN DEPARTMENT OF AGRICULTURE. IF A PLAN OR  
2 PROJECT IS DENIED UNDER THIS SUBSECTION, A TAXPAYER IS NOT  
3 PROHIBITED FROM SUBSEQUENTLY APPLYING UNDER THIS SUBSECTION FOR  
4 ANOTHER PLAN OR PROJECT. THE MICHIGAN DEPARTMENT OF AGRICULTURE  
5 SHALL DEVELOP AND USE AN APPLICATION FORM FOR THE APPROVAL OF  
6 WILDLIFE RISK MITIGATION ACTION PLANS AND PROJECTS UNDER THIS  
7 SECTION.

8 (3) THE MICHIGAN DEPARTMENT OF AGRICULTURE SHALL CONSIDER THE  
9 FOLLOWING ISSUES WHEN APPROVING A WILDLIFE RISK MITIGATION ACTION  
10 PLAN OR PROJECT UNDER SUBSECTION (2) OR WHEN CONSIDERING AN  
11 AMENDMENT TO A PLAN OR PROJECT UNDER SUBSECTION (5):

12 (A) HAVE LIVESTOCK ON THIS BEEF OR DAIRY FARM BEEN INFECTED  
13 WITH TUBERCULOSIS WITHIN THE LAST 20 YEARS.

14 (B) HOW CLOSE IS THE NEAREST LIVESTOCK FARM THAT HAS BEEN  
15 KNOWN TO BE TUBERCULOSIS INFECTED.

16 (C) ARE LIVESTOCK HOUSED IN BUILDINGS OR CONFINED AREAS.

17 (D) IF LIVESTOCK ARE PASTURED, DO THEY HAVE ACCESS TO  
18 WOODLOTS, SWAMPS, OR OTHER GOOD DAYTIME DEER COVER.

19 (E) HOW CLOSE TO LIVESTOCK ARE THE NEAREST WOODLOTS, SWAMPS,  
20 OR OTHER LAND THAT PROVIDE GOOD DAYTIME DEER COVER.

21 (F) HOW FREQUENTLY HAVE DEER BEEN SEEN OR EVIDENCE OF DEER  
22 BEEN PRESENT IN AREAS WHERE LIVESTOCK ARE KEPT OR HOUSED.

23 (G) WHAT IS THE LIKELIHOOD OF FINDING BOVINE TUBERCULOSIS  
24 INFECTED FREE RANGING WHITE-TAILED DEER IN THE AREA.

25 (H) ANY OTHER ISSUES THAT THE DEPARTMENT OF AGRICULTURE  
26 CONSIDERS APPROPRIATE.

27 (4) A QUALIFIED TAXPAYER MAY APPLY FOR APPROVAL OF A PLAN OR

1 PROJECTS UNDER THIS SECTION FOR INVESTMENTS ON MORE THAN 1 BEEF OR  
2 DAIRY FARM OWNED OR OPERATED BY THE TAXPAYER DURING THE TAX YEAR.  
3 EACH PROJECT APPROVED AND EACH PROJECT FOR WHICH A CERTIFICATE OF  
4 COMPLETION IS ISSUED UNDER THIS SECTION SHALL BE FOR AN INVESTMENT  
5 MADE IN ACCORDANCE WITH THE QUALIFIED TAXPAYER'S WILDLIFE RISK  
6 MITIGATION ACTION PLAN FOR THAT BEEF OR DAIRY FARM.

7 (5) IF, AFTER A TAXPAYER'S PLAN OR PROJECT HAS BEEN APPROVED  
8 AND THE TAXPAYER HAS RECEIVED A PREAPPROVAL LETTER BUT BEFORE THE  
9 TAXPAYER HAS MADE ANY INVESTMENT ON THE BEEF OR DAIRY FARM, THE  
10 TAXPAYER DETERMINES THAT THE PLAN OR PROJECT CANNOT BE COMPLETED AS  
11 PREAPPROVED, THE TAXPAYER MAY PETITION THE MICHIGAN DEPARTMENT OF  
12 AGRICULTURE TO AMEND THE PLAN, THE PROJECTS, AND THE PREAPPROVAL  
13 LETTER TO INCREASE THE MAXIMUM TOTAL OF ALL CREDITS FOR THE PLAN  
14 AND THE PROJECTS INCLUDED IN THAT PLAN. A TAXPAYER MAY PETITION THE  
15 MICHIGAN DEPARTMENT OF AGRICULTURE TO MAKE ANY OTHER AMENDMENTS TO  
16 THE PLAN, PROJECTS, OR PREAPPROVAL LETTER AT ANY TIME BEFORE A  
17 CERTIFICATE OF COMPLETION IS ISSUED.

18 (6) WHEN A PROJECT UNDER THIS SECTION IS COMPLETED, THE  
19 TAXPAYER SHALL SUBMIT DOCUMENTATION THAT THE PROJECT IS COMPLETED,  
20 AN ACCOUNTING OF THE COST OF THE PROJECT, THE INVESTMENT OF THE  
21 TAXPAYER, AND, IF THE TAXPAYER IS NOT THE OWNER OR LESSEE OF THE  
22 BEEF OR DAIRY FARM ON WHICH THE INVESTMENT WAS MADE AT THE TIME THE  
23 PROJECT IS COMPLETED, THAT THE TAXPAYER WAS THE OWNER OR LESSEE OF,  
24 OR WAS A PARTY TO AN AGREEMENT TO PURCHASE OR LEASE, THE BEEF OR  
25 DAIRY FARM WHEN ALL INVESTMENTS OF THE TAXPAYER WERE MADE. THE  
26 MICHIGAN DEPARTMENT OF AGRICULTURE, FOR PLANS AND PROJECTS APPROVED  
27 UNDER SUBSECTION (2), SHALL VERIFY THAT THE PROJECT IS COMPLETED.

1 THE MICHIGAN DEPARTMENT OF AGRICULTURE SHALL CONDUCT AN ON-SITE  
2 INSPECTION AS PART OF THE VERIFICATION PROCESS FOR PROJECTS  
3 APPROVED UNDER SUBSECTION (2). WHEN THE COMPLETION OF THE PROJECT  
4 IS VERIFIED, A CERTIFICATE OF COMPLETION SHALL BE ISSUED TO EACH  
5 QUALIFIED TAXPAYER THAT HAS MADE AN INVESTMENT ON THAT BEEF OR  
6 DAIRY FARM. THE CERTIFICATE OF COMPLETION SHALL STATE THE TOTAL  
7 AMOUNT OF ALL CREDITS FOR THE PROJECT AND THAT TOTAL SHALL NOT  
8 EXCEED THE MAXIMUM TOTAL OF ALL CREDITS LISTED IN THE PREAPPROVAL  
9 LETTER FOR THE PROJECT UNDER SUBSECTION (2) AND AS AMENDED UNDER  
10 SUBSECTION (5) AND SHALL STATE ALL OF THE FOLLOWING:

11 (A) THAT THE TAXPAYER IS A QUALIFIED TAXPAYER.

12 (B) THE TOTAL COST OF THE PROJECT AND THE INVESTMENT OF THE  
13 QUALIFIED TAXPAYER.

14 (C) THE QUALIFIED TAXPAYER'S CREDIT AMOUNT.

15 (D) THE QUALIFIED TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION  
16 NUMBER OR THE MICHIGAN TREASURY NUMBER ASSIGNED TO THE TAXPAYER.

17 (E) THE PROJECT NUMBER.

18 (7) A QUALIFIED TAXPAYER SHALL CLAIM CREDITS UNDER THIS  
19 SECTION IN THE TAX YEAR IN WHICH THE CERTIFICATE OF COMPLETION IS  
20 ISSUED. IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR  
21 AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED UNDER THIS  
22 SECTION EXCEED THE QUALIFIED TAXPAYER'S TAX LIABILITY FOR THE TAX  
23 YEAR, THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR  
24 SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX  
25 LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP,  
26 WHICHEVER OCCURS FIRST. EXCEPT AS OTHERWISE PROVIDED IN THIS  
27 SUBSECTION, THE MAXIMUM TIME ALLOWED UNDER THE CARRYFORWARD

1 PROVISIONS UNDER THIS SUBSECTION BEGINS WITH THE TAX YEAR IN WHICH  
2 THE CERTIFICATE OF COMPLETION IS ISSUED TO THE QUALIFIED TAXPAYER.

3 (8) AS USED IN THIS SECTION:

4 (A) "MODIFIED ACCREDITED ZONE" MEANS THOSE AREAS IDENTIFIED IN  
5 THIS STATE UNDER 9 CFR 77.11, AS MODIFIED ACCREDITED ZONES.

6 (B) "PROJECT" MEANS THE TOTAL OF ALL INVESTMENTS ON THE  
7 QUALIFIED TAXPAYER'S PROPERTY TO COMPLETE CERTAIN RISK MITIGATING  
8 MEASURES INCLUDED IN THE QUALIFIED TAXPAYER'S WILDLIFE RISK  
9 MITIGATION ACTION PLAN INCLUDING, BUT NOT LIMITED TO, THE  
10 FOLLOWING:

11 (i) MAKING IT DIFFICULT FOR WILDLIFE TO ACCESS FEED BY STORING  
12 LIVESTOCK FEED SECURELY, RESTRICTING WILDLIFE ACCESS TO FEEDING AND  
13 WATERING AREAS, AND DETERRING OR REDUCING WILDLIFE PRESENCE AROUND  
14 CATTLE AND CATTLE FEED BY STORING FEED IN AN ENCLOSED BARN,  
15 WRAPPING BALES OR COVERING STACKS WITH TARPS, CLOSING ENDS OF AG-  
16 BAGS, STORING GRAINS IN ANIMAL PROOF CONTAINERS OR BINS,  
17 MAINTAINING FENCES, PRACTICING SMALL MAMMAL AND RODENT CONTROL, OR  
18 FEEDING AWAY FROM DEER COVER.

19 (ii) MINIMIZING WILDLIFE ACCESS TO CATTLE FEED AND WATER BY  
20 FEEDING CATTLE IN AN ENCLOSED AREA, FEEDING IN OPEN AREAS NEAR  
21 BUILDINGS AND HUMAN ACTIVITY, REMOVING EXTRA OR WASTE FEED WHEN  
22 CATTLE ARE MOVED, USING HAY FEEDERS TO REDUCE WASTE, USING  
23 ARTIFICIAL WATER SYSTEMS TO HELP KEEP CATTLE FROM SHARING WATER  
24 SOURCES WITH WILDLIFE, FENCING OFF STAGNANT PONDS AND WETLANDS, AND  
25 KEEPING MINERAL FEEDERS NEAR BUILDINGS AND HUMAN ACTIVITY OR USING  
26 DEVICES THAT RESTRICT DEER USAGE.

27 (C) "QUALIFIED TAXPAYER" MEANS A TAXPAYER THAT OWNS OR

1 OPERATES A BEEF OR DAIRY FARM LOCATED IN A MODIFIED ACCREDITED ZONE  
2 AND THAT REGISTERED WITH THE MICHIGAN DEPARTMENT OF AGRICULTURE FOR  
3 BOVINE TUBERCULOSIS TESTING AND RECEIVED A PREMISES IDENTIFICATION  
4 NUMBER PRIOR TO SEPTEMBER 1, 2008.

5 (D) "WILDLIFE RISK MITIGATION ACTION PLAN" OR "PLAN" MEANS A  
6 WRITTEN PLAN CONSISTING OF 1 OR MORE PROJECTS TO HELP REDUCE THE  
7 RISKS OF BOVINE TUBERCULOSIS SPREADING BETWEEN WILDLIFE AND  
8 LIVESTOCK THAT IS APPROVED BY THE MICHIGAN DEPARTMENT OF  
9 AGRICULTURE UNDER SECTION 14 OF THE ANIMAL INDUSTRY ACT, 1988 PA  
10 466, MCL 287.714.