

Legislative Analysis



MBT LARGE BATTERY CREDIT

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Senate Bill 1343

Sponsor: Sen. Tony Stamas

House Committee: New Economy and Quality of Life

Senate Committee: Commerce and Tourism

(Enacted as Public Act 114 of 2010)

Complete to 6-15-10

A SUMMARY OF SENATE BILL 1343 AS PASSED BY THE SENATE 6-9-10

Public Act 110 of 2009 amended a section of the Michigan Business Tax Act (MCL 208.1434) that provides tax credits related to the development and application of advanced battery technology. It allowed for an additional credit to be awarded by the Michigan Economic Growth Authority for the construction of a facility that will produce large scale batteries and manufacture integrated power management, smart control, and storage systems from 500 kilowatts to 100 megawatts. The credit is equal to 25 percent of the capital investment expenses for any tax year.

Only one such credit is available; the credit could be for up to \$25 million per year for four years (up to \$100 million total), and no credit can be claimed before 2012. The tax credit is intended for the renewable energy park proposed for development at the site of the Ford Wixom Plant by a firm called Xtreme Power.

PA 110 applies to a firm that will create at least 500 new jobs in Michigan *and that receives federal loan guarantees from the U.S. Department of Energy* for a project that employs innovative energy efficiency, renewable energy, and advanced transmission and distribution technologies.

Senate Bill 1343 would instead require that the firm receive *conventional financing, recovery zone facility bonds, or federal loan guarantees*. Under the bill, the federal loan guarantees would not be necessary to award the MBT credit.

FISCAL IMPACT:

This bill amends the financing requirements of the firms involved, but does not change the total level of credits. It would, therefore, have no fiscal impact.

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