

Legislative Analysis



PHOTOVOLTAIC ENERGY CREDIT SUNSET

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House Bill 4523

Sponsor: Rep. Ed Clemente

Committee: New Economy and Quality of Life

Complete to 4-17-09

A SUMMARY OF HOUSE BILL 4523 AS INTRODUCED 3-19-09

The bill would amend the Michigan Business Tax Act to extend the deadline for awarding a credit to a firm that constructs and operates a facility for the development and manufacture of photovoltaic energy, photovoltaic systems, or other photovoltaic technology. Currently, the Michigan Economic Growth Authority (MEGA) cannot enter into an agreement for such a credit after November 1, 2008. House Bill 4523 would extend the deadline to December 31, 2010.

This refundable credit was put in place by Public Act 270 of 2008. The credit is available beginning in the 2009 tax year and is to be taken in two equal installments. It is based on the capital investment made in a new facility. The total amount of the credits allowed for all tax years cannot exceed \$25 million.

MCL 208.1430

FISCAL IMPACT:

The credit cap of \$25 million remains unchanged; however, by extending the sunset on credit agreements, the bill would allow the awarding of credits that, without the bill, could not be awarded. Any additional cost would reduce General Fund revenue.

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