

Legislative Analysis



MBT CREDITS FOR E-85 PUMPS & PUBLIC ELECTRIC VEHICLE CHARGING STATIONS

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House Bill 6435

Sponsor: Rep. Ed Clemente

Committee: Energy and Technology

Complete to 9-20-10

A SUMMARY OF HOUSE BILL 6435 AS INTRODUCED 9-14-10

For tax years that end before January 1, 2012, a service station owner is currently allowed to claim a non-refundable credit of up to \$20,000 against its liability under the Michigan Business Tax (MBT), equal to 30 percent of the cost of installing a new pump or converting an existing one to dispense E-85 or a qualified biodiesel blend. The total amount of all credits of this type, described in Section 460 of the Michigan Business Tax Act, MCL 208.1460, cannot exceed \$1 million.

House Bill 6435 would amend Section 460 to provide a similar non-refundable credit to an MBT taxpayer who installs ***one or more new charging stations for plug-in electric vehicles and available for public use***. This credit, like the one currently available for E-85 or biodiesel pumps, would be equal to 30 percent of the costs incurred during the tax year for installing the charging stations, subject to a \$20,000 limit per taxpayer for tax year. The total of all of the credits against the MBT for E-85 pumps, biodiesel blend pumps, and plug-in vehicle charging stations could not exceed \$1 million per calendar year.

Procedure for claiming E-85 or biodiesel pump credit. The bill would revise the current procedure for claiming a MBT tax credit for an E-85 or biodiesel blend pump, specifying that the taxpayer would obtain a certificate from the "Bureau of Energy Systems," rather than the "Energy Office," and that this certificate would only have to disclose a grant received by the taxpayer based on the same costs under Section 78 of the Michigan Strategic Fund Act, rather than any grant that the taxpayer might have received based on the same costs.

Procedure for charging station credit. To claim a tax credit for installing a public plug-in vehicle charging station, the taxpayer would have to attach a certificate from the Bureau of Energy Systems that (1) stated that the taxpayer installed a charging station on its property that is available to the public during the tax year for which the credit is sought, (2) specified the costs incurred by the taxpayer to do this, and (3) included the taxpayer's federal or state taxpayer identification numbers.

Revocation of credit. If a taxpayer who claimed an MBT credit for installing a charging station stopped using it within three years of receiving the credit, the taxpayer could have its credit reduced or terminated or have a percentage of a previously-claimed credit added

to the taxpayer's tax liability in the year the taxpayer discontinues use of the charging station.

FISCAL IMPACT:

As written, the bill does not change the \$1.0 million cap on the sum of all credits claimed in any tax year. To the extent that more taxpayers are able to qualify for a credit, the bill would decrease MBT revenue by an unknown, but likely negligible amount. The reduction in revenue would come from the General Fund.

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