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Senate Bill 1343 (as reported without amendment)
Sponsor: Senator Tony Stamas
Committee: Commerce and Tourism

CONTENT

The bill would amend the Michigan Business Tax Act to revise the financing requirements for a taxpayer to receive a tax credit for the construction of a facility that will produce large-scale batteries and manufacture integrated power management, smart control, and storage systems.

The Act allows a taxpayer that has entered into an agreement with the Michigan Economic Growth Authority to claim a credit equal to 25% of the capital investment expenses for any tax year 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 taxpayer may claim the credit if it will create 500 new jobs in Michigan and has received Federal loan guarantees for a project that employs innovative energy efficiency, renewable energy, and advanced transmission and distribution technologies from the U.S. Department of Energy under the Federal Energy Policy Act (42 USC 16513).

Under the bill, the taxpayer would have to have received conventional financing, recovery zone facility bonds, or the Federal loan guarantees from the U.S. Department of Energy.

MCL 208.1434

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would likely have no impact on State revenue. The bill would expand the number of taxpayers potentially able to enter into an agreement (and claim the associated tax credit) with the Michigan Economic Growth Authority. However, existing statute allows only a single taxpayer to receive the credit. As a result, there would be no increase in credits under the bill.

Date Completed: 6-1-10

Fiscal Analyst: David Zin