

**SUBSTITUTE FOR
HOUSE BILL NO. 5680**

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 253 (MCL 206.253), as added by 2008 PA 287.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 253. (1) Except as otherwise provided under this
2 subsection, for tax years that begin after December 31, 2008 and
3 before January 1, 2012, a taxpayer with adjusted gross income equal
4 to or less than \$37,500.00 or for a husband and wife filing a joint
5 return as provided in section 311 with adjusted gross income equal
6 to or less than \$75,000.00 who purchases and installs a qualified
7 home improvement for his or her principal residence during the tax
8 year may claim a credit against the tax imposed by this act equal
9 to 10% of the amount paid by the taxpayer in the tax year for the
10 purchase and installation of each qualified home improvement or

1 \$75.00, or for a husband and wife filing a joint return, \$150.00,
2 whichever is less, for each qualified home improvement purchased
3 and installed during the tax year. However, a taxpayer shall not
4 claim more than 1 credit under each subparagraph of subsection
5 (3)(c) during the same tax year. To claim the credit allowed under
6 this subsection, the taxpayer shall, in the manner required by the
7 department, provide verification of the amount paid for the
8 purchase and installation of the qualified home improvement along
9 with documentation of its compliance with the energy star energy
10 efficiency guidelines. If the credit allowed under this subsection
11 exceeds the tax liability of the taxpayer for the tax year, that
12 portion of the credit that exceeds the tax liability shall be
13 refunded.

14 (2) For tax years that begin after December 31, 2008 and
15 before ~~December 31~~ **JANUARY 1**, 2012, a taxpayer with adjusted gross
16 income equal to or less than \$65,000.00 or for a husband and wife
17 filing a joint return as provided in section 311 equal to or less
18 than \$130,000.00 may claim a credit against the tax imposed by this
19 act equal to the percentages provided by this subsection of the
20 amount authorized for the customer's electric utility **OR THE**
21 **CUSTOMER'S MUNICIPALLY OWNED ELECTRIC UTILITY** under section
22 45(2)(a) of the clean, renewable, and efficient energy act, **2008 PA**
23 **295, MCL 460.1045**, and paid during the tax year. If the credit
24 allowed under this subsection exceeds the tax liability of the
25 taxpayer for the tax year, that portion of the credit that exceeds
26 the tax liability shall not be refunded. The percentages of the
27 amounts authorized shall be as follows:

1 (a) For tax years that begin after December 31, 2008 and
2 before January 1, 2010, 25%.

3 (b) For tax years that begin after December 31, 2009 and
4 before January 1, 2012, 20%.

5 (3) As used in this section:

6 (a) "Electric utility" means that term as defined under
7 section 10g of 1939 PA 3, MCL 460.10g and includes an alternative
8 electric supplier as that term is defined under section 10g of 1939
9 PA 3, MCL 460.10g.

10 (b) "Principal residence" means that term as defined in
11 section 7dd of the general property tax act, 1893 PA 206, MCL
12 211.7dd, and exempt from taxation under section 7cc of the general
13 property tax act, 1893 PA 206, MCL 211.7cc.

14 (c) "Qualified home improvement" means the following items
15 intended for residential or noncommercial use that meet or exceed
16 the applicable energy star energy efficiency guidelines developed
17 by the United States environmental protection agency and the United
18 States department of energy:

19 (i) Insulation.

20 (ii) Furnaces.

21 (iii) Water heaters.

22 (iv) Windows.

23 (v) Refrigerators, clothes washers, and dishwashers.