

SUBSTITUTE FOR
HOUSE BILL NO. 6435

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
by amending section 460 (MCL 208.1460), as added by 2008 PA 335.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 460. (1) For tax years that begin after December 31, 2008
2 and end before January 1, 2012, subject to the limitations provided
3 under this section, a taxpayer that is an owner of a service
4 station may claim a credit against the tax imposed by this act
5 equal to 30% of the cost incurred during the tax year to convert
6 existing fuel delivery systems to provide E85 fuel or qualified
7 biodiesel blends and to create new fuel delivery systems designed
8 to provide E85 fuel or qualified biodiesel blends. ~~, not to exceed~~
9 ~~\$20,000.00 per tax year per taxpayer.~~

10 (2) FOR THE TAXPAYER'S FIRST TAX YEAR THAT BEGINS AFTER

1 DECEMBER 31, 2010 ONLY, SUBJECT TO THE LIMITATIONS PROVIDED UNDER
2 THIS SECTION, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED
3 BY THIS ACT EQUAL TO 30% OF THE COST INCURRED DURING THAT TAX YEAR
4 TO PURCHASE AND INSTALL 1 OR MORE NEW CHARGING STATIONS IN THIS
5 STATE THAT ARE AVAILABLE TO THE PUBLIC FOR THE PURPOSE OF CHARGING
6 PLUG-IN ELECTRIC MOTOR VEHICLES. FOR PURPOSES OF THIS SECTION, A
7 CHARGING STATION IS AVAILABLE TO THE PUBLIC IF THE CHARGING STATION
8 IS PHYSICALLY ACCESSIBLE FOR THE INTENT AND PURPOSE OF CHARGING AN
9 ELECTRIC MOTOR VEHICLE AND THE ACCESSIBILITY IS NOT LIMITED TO
10 USERS BY SUBSCRIPTION, MEMBERSHIP, OR ANY OTHER SIMILAR
11 RESTRICTION.

12 (3) ~~(2)~~—In determining the amount of the credit under
13 subsection (1), a taxpayer shall not include any costs to convert
14 existing fuel delivery systems to provide E85 fuel or qualified
15 biodiesel blends or to create new fuel delivery systems designed to
16 provide E85 fuel or qualified biodiesel blends for which the
17 taxpayer received a grant under the service station matching grant
18 program created under section 78 of the Michigan strategic fund
19 act, 1984 PA 270, MCL 125.2078.

20 (4) ~~(3)~~—A CREDIT ALLOWED UNDER THIS SECTION SHALL NOT EXCEED
21 \$20,000.00 PER TAX YEAR PER TAXPAYER. The total amount of all
22 credits allowed under this section shall not exceed \$1,000,000.00
23 per calendar year. THE TOTAL AMOUNT OF ALL CREDITS ALLOWED UNDER
24 SUBSECTION (2) SHALL NOT EXCEED \$800,000.00. If the credit allowed
25 under this section exceeds the liability of the taxpayer for the
26 tax year, that portion of the credit that exceeds the tax liability
27 shall not be refunded.

1 (5) ~~(4)~~ A taxpayer shall not claim a credit under ~~this section~~
2 **SUBSECTION (1)** unless the ~~energy office~~ **BUREAU OF ENERGY SYSTEMS**
3 has issued a certificate to the taxpayer. The taxpayer shall attach
4 the certificate to the annual return filed under this act on which
5 the credit under ~~this section~~ **SUBSECTION (1)** is claimed. The
6 certificate required by this subsection shall state all of the
7 following:

8 (a) The taxpayer is the owner of a service station and has
9 converted existing fuel delivery systems to provide E85 fuel or
10 qualified biodiesel blends or created new fuel delivery systems
11 designed to provide E85 fuel or qualified biodiesel blends, or
12 both, during the tax year for which this credit is sought.

13 (b) The amount of the costs incurred by the taxpayer during
14 the designated tax year to convert existing fuel delivery systems
15 to provide E85 fuel or qualified biodiesel blends and to create new
16 fuel delivery systems designed to provide E85 fuel or qualified
17 biodiesel blends and the amount of any grant awarded **UNDER SECTION**
18 **78 OF THE MICHIGAN STRATEGIC FUND ACT, 1984 PA 271, MCL 125.2078,**
19 during the designated tax year to the taxpayer based on the same
20 costs.

21 (c) The taxpayer's federal employer identification number or
22 the Michigan department of treasury number assigned to the
23 taxpayer.

24 (6) ~~(5)~~ A taxpayer that claims a credit under ~~this section~~
25 **SUBSECTION (1)** and subsequently stops using the fuel delivery
26 systems to provide E85 fuel or qualified biodiesel blends or within
27 3 years of receiving this credit may, as determined by the Michigan

1 strategic fund, have its credit reduced or terminated or have a
2 percentage of the credit amount previously claimed under this
3 section added back to the tax liability of the taxpayer in the year
4 that the taxpayer stops using the fuel delivery systems to provide
5 E85 fuel or qualified biodiesel blends.

6 (7) A TAXPAYER SHALL NOT CLAIM A CREDIT UNDER SUBSECTION (2)
7 UNLESS THE BUREAU OF ENERGY SYSTEMS HAS ISSUED A CERTIFICATE TO THE
8 TAXPAYER. THE BUREAU OF ENERGY SYSTEMS SHALL REVIEW AND ISSUE THE
9 CERTIFICATE UPON VERIFICATION OF THE COSTS INCURRED BY THE
10 TAXPAYER, THE AVAILABILITY OF THE CHARGING STATION TO THE PUBLIC,
11 AND THE LIKELIHOOD OF PUBLIC USE OF THOSE CHARGING STATIONS. THE
12 TAXPAYER SHALL ATTACH THE CERTIFICATE TO THE ANNUAL TAX RETURN
13 FILED UNDER THIS ACT ON WHICH THE CREDIT UNDER THIS SECTION IS
14 CLAIMED. THE CERTIFICATE REQUIRED BY THIS SUBSECTION SHALL STATE
15 ALL OF THE FOLLOWING:

16 (A) THE TAXPAYER HAS INSTALLED 1 OR MORE CHARGING STATIONS ON
17 ITS PROPERTY THAT ARE AVAILABLE TO THE PUBLIC DURING THE TAX YEAR
18 FOR WHICH THIS CREDIT IS SOUGHT.

19 (B) THE AMOUNT OF THE COSTS INCURRED BY THE TAXPAYER DURING
20 THE TAX YEAR TO PURCHASE AND INSTALL THE CHARGING STATIONS.

21 (C) THE AMOUNT OF THE CREDIT ALLOWED UNDER SUBSECTION (2) FOR
22 THE TAXPAYER FOR THE TAX YEAR.

23 (D) THE TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER OR
24 THE MICHIGAN DEPARTMENT OF TREASURY NUMBER ASSIGNED TO THE
25 TAXPAYER.

26 (8) A TAXPAYER THAT CLAIMS A CREDIT UNDER SUBSECTION (2) AND
27 SUBSEQUENTLY STOPS USING 1 OR MORE OF THE CHARGING STATIONS TO

1 PROVIDE ELECTRICITY TO THE PUBLIC FOR THE PURPOSE OF CHARGING PLUG-
2 IN ELECTRIC MOTOR VEHICLES WITHIN 3 YEARS OF RECEIVING THIS CREDIT
3 MAY, AS DETERMINED BY THE BUREAU OF ENERGY SYSTEMS, HAVE ITS CREDIT
4 REDUCED OR TERMINATED OR HAVE A PERCENTAGE OF THE CREDIT AMOUNT
5 PREVIOUSLY CLAIMED UNDER THIS SECTION ADDED BACK TO THE TAX
6 LIABILITY OF THE TAXPAYER IN THE YEAR THAT THE TAXPAYER STOPS USING
7 THE CHARGING STATION TO PROVIDE ELECTRICITY TO THE PUBLIC FOR THE
8 PURPOSE OF CHARGING PLUG-IN ELECTRIC MOTOR VEHICLES.

9 (9) ~~(6)~~—As used in this section:

10 (a) "Biodiesel" means a fuel composed of monoalkyl esters of
11 long chain fatty acids derived from vegetable oils or animal fats,
12 and, in accordance with standards specified by the American society
13 for testing and materials, designated B100, and meeting the
14 requirements of D-6751, as approved by the department of
15 agriculture.

16 (b) "Biodiesel blend" means a fuel composed of a blend of
17 biodiesel fuel with petroleum-based diesel fuel, suitable for use
18 as a fuel in a compression-ignition internal combustion diesel
19 engine.

20 (C) "CHARGING STATION" MEANS AN ELECTRIC RECHARGING LOCATION
21 COMPLETE WITH ELECTRIC VEHICLE SUPPLY EQUIPMENT THAT IS CAPABLE OF
22 PROVIDING LEVEL 2 CHARGING FOR PLUG-IN ELECTRIC MOTOR VEHICLES.

23 (D) ~~(e)~~—"E85 fuel" means a fuel blend containing between 70%
24 and 85% denatured fuel ethanol and gasoline suitable for use in a
25 spark-ignition engine and that meets American society for testing
26 and materials D-5798 specifications.

27 (E) "ELECTRIC VEHICLE SUPPLY EQUIPMENT" MEANS THE CONDUCTORS,

1 INCLUDING THE UNGROUNDED, GROUNDED, AND EQUIPMENT GROUNDING
2 CONDUCTORS, AND THE ELECTRIC VEHICLE CONNECTORS, ATTACHMENT PLUGS,
3 AND ALL OTHER FITTINGS, DEVICES, POWER OUTLETS, OR APPARATUSES THAT
4 MEET OR EXCEED ANY STANDARDS, CODES, AND REGULATIONS SET FORTH IN R
5 408.30801 TO R 408.30876 OF THE MICHIGAN ADMINISTRATIVE CODE AND
6 THE STANDARDS SET FORTH IN SAE J1772 THAT ARE INSTALLED
7 SPECIFICALLY FOR THE PURPOSE OF DELIVERING ENERGY FROM THE PREMISES
8 WIRING TO A PLUG-IN ELECTRIC MOTOR VEHICLE.

9 (F) "LEVEL 2 CHARGING" MEANS PROVIDING 208-240 VOLT ALTERNATE
10 CURRENT ENERGY TO AN ONBOARD CHARGER OF AN ELECTRIC MOTOR VEHICLE
11 IN A SINGLE PHASE WITH A MAXIMUM CURRENT SPECIFIED UNDER SAE J1772.

12 (G) ~~(d)~~—"Michigan strategic fund" means the Michigan strategic
13 fund as described in the Michigan strategic fund act, 1984 PA 270,
14 MCL 125.2001 to 125.2094.

15 (H) "MOTOR VEHICLE" MEANS THAT TERM AS DEFINED UNDER SECTION
16 30D OF THE INTERNAL REVENUE CODE, 26 USC 30D.

17 (I) "PLUG-IN ELECTRIC MOTOR VEHICLE" MEANS A MOTOR VEHICLE
18 WHICH IS PROPELLED TO A SIGNIFICANT EXTENT BY AN ELECTRIC MOTOR
19 WHICH DRAWS ELECTRICITY FROM A BATTERY THAT IS CAPABLE OF BEING
20 RECHARGED FROM AN EXTERNAL SOURCE OF ELECTRICITY.

21 (J) ~~(e)~~—"Qualified biodiesel blends" means any biodiesel blend
22 that is blended on site utilizing on-demand bio-blending equipment
23 that is installed after the effective date of the amendatory act
24 that added this section.

25 (K) "SAE J1772" MEANS THE NORTH AMERICAN STANDARD FOR
26 ELECTRICAL CONNECTORS FOR ELECTRIC VEHICLES MAINTAINED BY THE
27 SOCIETY OF AUTOMOTIVE ENGINEERS AND HAS THE FORMAL TITLE SAE

- 1 ELECTRIC VEHICLE AND PLUG-IN HYBRID ELECTRIC VEHICLE CONDUCTIVE
- 2 CHARGE COUPLER.