

HOUSE BILL No. 4485

March 3, 2009, Introduced by Reps. Valentine, Durhal, LeBlanc, Lemmons, Smith, Donigan, Segal, Switalski, Young, Bettie Scott, Lisa Brown, Roberts, Huckleberry, Jackson, Miller, Leland, Bennett, Gregory, Dean, Hammel and Meadows and referred to the Committee on Energy and Technology.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 254.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 254. (1) FOR TAX YEARS THAT BEGIN ON AND AFTER JANUARY 1,
2 2009, A TAXPAYER WHO PURCHASES AND INSTALLS A RESIDENTIAL RENEWABLE
3 ENERGY SYSTEM TO SUPPLY ALL OR PART OF THE ENERGY REQUIRED FOR THE
4 TAXPAYER'S PRINCIPAL RESIDENCE OR FOR RESIDENTIAL RENTAL PROPERTY
5 OWNED BY THE TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED
6 UNDER THIS ACT EQUAL TO 50% OF THE TOTAL COST OF PURCHASING AND
7 INSTALLING A RESIDENTIAL RENEWABLE ENERGY SYSTEM FOR THE TAX YEAR
8 IN WHICH THE ENERGY SYSTEM IS COMPLETED AND PLACED IN SERVICE.

9 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR
10 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT
11 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE

1 REFUNDED.

2 (3) AS USED IN THIS SECTION:

3 (A) "ACTIVE SOLAR SYSTEM" MEANS A SYSTEM OF EQUIPMENT CAPABLE
4 OF COLLECTING AND CONVERTING INCIDENT SOLAR RADIATION INTO THERMAL,
5 MECHANICAL, OR ELECTRICAL ENERGY, AND TRANSFERRING THESE FORMS OF
6 ENERGY BY A SEPARATE APPARATUS TO STORAGE OR TO THE POINT OF USE.
7 ACTIVE SOLAR SYSTEM INCLUDES WATER HEATING, SPACE HEATING OR
8 COOLING, AND ELECTRICAL OR MECHANICAL ENERGY GENERATION.

9 (B) "BIOMASS SYSTEM" MEANS ANY SYSTEM OF APPARATUS AND
10 EQUIPMENT CAPABLE OF CONVERTING ORGANIC PLANT, WOOD, OR WASTE
11 PRODUCTS INTO ELECTRICAL AND THERMAL ENERGY AND TRANSFERRING THESE
12 FORMS OF ENERGY BY A SEPARATE APPARATUS TO THE POINT OF USE OR
13 STORAGE.

14 (C) "HYDROENERGY SYSTEM" MEANS A SYSTEM OF APPARATUS AND
15 EQUIPMENT CAPABLE OF INTERCEPTING AND CONVERTING KINETIC WATER
16 ENERGY INTO ELECTRICAL OR MECHANICAL ENERGY AND TRANSFERRING THIS
17 FORM OF ENERGY BY SEPARATE APPARATUS TO THE POINT OF USE OR
18 STORAGE.

19 (D) "PASSIVE SOLAR SYSTEM" MEANS A DIRECT THERMAL SYSTEM THAT
20 UTILIZES THE STRUCTURE OF A BUILDING AND ITS OPERABLE COMPONENTS TO
21 PROVIDE FOR COLLECTION, STORAGE, AND DISTRIBUTION OF HEATING OR
22 COOLING DURING THE APPROPRIATE TIMES OF THE YEAR BY UTILIZING THE
23 CLIMATE RESOURCES AVAILABLE AT THE SITE. PASSIVE SOLAR SYSTEM
24 INCLUDES THOSE PORTIONS AND COMPONENTS OF A BUILDING THAT ARE
25 EXPRESSLY DESIGNED AND REQUIRED FOR THE COLLECTION, STORAGE, AND
26 DISTRIBUTION OF SOLAR ENERGY.

27 (E) "PRINCIPAL RESIDENCE" MEANS THAT TERM AS DEFINED IN

1 SECTION 7DD OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL
2 211.7DD.

3 (F) "RESIDENTIAL RENEWABLE ENERGY SYSTEM" MEANS ANY ACTIVE
4 SOLAR, PASSIVE SOLAR, WIND, BIOMASS SYSTEM, GEOTHERMAL, OR
5 HYDROENERGY SYSTEM USED TO SUPPLY ENERGY TO OR FOR THE TAXPAYER'S
6 PRINCIPAL RESIDENCE OR ANY RESIDENTIAL RENTAL PROPERTY OWNED BY THE
7 TAXPAYER.

8 (G) "WIND SYSTEM" MEANS A SYSTEM OF APPARATUS AND EQUIPMENT
9 CAPABLE OF INTERCEPTING AND CONVERTING WIND ENERGY INTO MECHANICAL
10 OR ELECTRICAL ENERGY AND TRANSFERRING THESE FORMS OF ENERGY BY A
11 SEPARATE APPARATUS TO THE POINT OF USE OR STORAGE.