

# HOUSE BILL No. 5255

August 19, 2009, Introduced by Reps. Meltzer, Rick Jones, Wayne Schmidt, Calley, Crawford, Bolger, Schuitmaker, DeShazor and Tyler 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 THE 2010 TAX YEAR ONLY, A TAXPAYER WHO  
2 PURCHASES AND INSTALLS A QUALIFIED GEOTHERMAL HEAT PUMP MAY CLAIM A  
3 CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 30% OF THE  
4 EXPENDITURES INCURRED BY THE TAXPAYER DURING THE TAX YEAR FOR THE  
5 PURCHASE AND INSTALLATION OF THE QUALIFIED GEOTHERMAL HEAT PUMP. TO  
6 CLAIM THE CREDIT ALLOWED UNDER THIS SECTION, THE TAXPAYER SHALL, IN  
7 A MANNER REQUIRED BY THE DEPARTMENT, PROVIDE VERIFICATION OF THE  
8 EXPENDITURES INCURRED FOR THE PURCHASE AND INSTALLATION OF THE  
9 QUALIFIED GEOTHERMAL HEAT PUMP ALONG WITH DOCUMENTATION OF ITS  
10 COMPLIANCE WITH THE ENERGY STAR PROGRAM.

1           (2) FOR PURPOSES OF THIS SECTION, EXPENDITURES FOR LABOR COSTS  
2 THAT ARE PROPERLY ALLOCABLE TO THE ON-SITE PREPARATION, ASSEMBLY,  
3 OR ORIGINAL INSTALLATION OF THE QUALIFIED GEOTHERMAL HEAT PUMP AND  
4 FOR ANY PIPING OR WIRING TO INTERCONNECT THE EQUIPMENT TO THE  
5 PRINCIPAL RESIDENCE SHALL BE INCLUDED IN THE CALCULATION OF THE  
6 EXPENDITURES INCURRED BY THE TAXPAYER FOR THE PURCHASE AND  
7 INSTALLATION OF THE QUALIFIED GEOTHERMAL HEAT PUMP.

8           (3) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX  
9 LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT PORTION OF THE  
10 CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE REFUNDED.

11           (4) A TAXPAYER THAT CLAIMS A CREDIT UNDER THIS SECTION IS NOT  
12 PROHIBITED FROM CLAIMING A CREDIT UNDER SECTION 253. HOWEVER, THE  
13 TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION AND SECTION  
14 253 BASED ON THE SAME EXPENDITURES.

15           (5) AS USED IN THIS SECTION:

16           (A) "ENERGY STAR PROGRAM" MEANS THE APPLICABLE ENERGY STAR  
17 ENERGY EFFICIENCY GUIDELINES DEVELOPED BY THE UNITED STATES  
18 ENVIRONMENTAL PROTECTION AGENCY AND THE UNITED STATES DEPARTMENT OF  
19 ENERGY.

20           (B) "PRINCIPAL RESIDENCE" MEANS THAT TERM AS DEFINED UNDER  
21 SECTION 7DD OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL  
22 211.7DD, AND EXEMPT FROM TAXATION UNDER SECTION 7CC OF THE GENERAL  
23 PROPERTY TAX ACT, 1893 PA 206, MCL 211.7CC.

24           (C) "QUALIFIED GEOTHERMAL HEAT PUMP" MEANS ANY EQUIPMENT WHICH  
25 USES THE GROUND OR GROUNDWATER AS A THERMAL ENERGY SOURCE TO HEAT  
26 THE TAXPAYER'S PRINCIPAL RESIDENCE OR AS A THERMAL ENERGY SINK TO  
27 COOL THE TAXPAYER'S PRINCIPAL RESIDENCE AND THAT MEETS THE

1 REQUIREMENTS OF THE ENERGY STAR PROGRAM WHICH ARE IN EFFECT AT THE  
2 TIME THAT THE EXPENDITURES FOR THIS EQUIPMENT ARE MADE.