

HOUSE BILL No. 6435

September 14, 2010, Introduced by Rep. Clemente and referred to the Committee on Energy and Technology.

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.~~

(2) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2009 AND END BEFORE JANUARY 1, 2012, SUBJECT TO THE LIMITATIONS PROVIDED UNDER THIS SECTION, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 30% OF THE COST INCURRED DURING THE TAX YEAR TO INSTALL NEW CHARGING STATIONS IN THIS STATE THAT ARE AVAILABLE TO THE PUBLIC FOR THE PURPOSE OF CHARGING PLUG-IN ELECTRIC MOTOR VEHICLES.

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

(4) ~~(3)~~—A CREDIT ALLOWED UNDER THIS SECTION SHALL NOT EXCEED \$20,000.00 PER TAX YEAR PER TAXPAYER. The total amount of all credits allowed under this section shall not exceed \$1,000,000.00 per calendar year. If the credit allowed under this section exceeds the liability of the taxpayer for the tax year, that portion of the credit that exceeds the tax liability shall not be refunded.

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

1 following:

2 (a) The taxpayer is the owner of a service station and has
3 converted existing fuel delivery systems to provide E85 fuel or
4 qualified biodiesel blends or created new fuel delivery systems
5 designed to provide E85 fuel or qualified biodiesel blends, or
6 both, during the tax year for which this credit is sought.

7 (b) The amount of the costs incurred by the taxpayer during
8 the designated tax year to convert existing fuel delivery systems
9 to provide E85 fuel or qualified biodiesel blends and to create new
10 fuel delivery systems designed to provide E85 fuel or qualified
11 biodiesel blends and the amount of any grant awarded **UNDER SECTION**
12 **78 OF THE MICHIGAN STRATEGIC FUND ACT, 1984 PA 271, MCL 125.2078,**
13 during the designated tax year to the taxpayer based on the same
14 costs.

15 (c) The taxpayer's federal employer identification number or
16 the Michigan department of treasury number assigned to the
17 taxpayer.

18 (6) ~~(5)~~ A taxpayer that claims a credit under ~~this section~~
19 **SUBSECTION (1)** and subsequently stops using the fuel delivery
20 systems to provide E85 fuel or qualified biodiesel blends or within
21 3 years of receiving this credit may, as determined by the Michigan
22 strategic fund, have its credit reduced or terminated or have a
23 percentage of the credit amount previously claimed under this
24 section added back to the tax liability of the taxpayer in the year
25 that the taxpayer stops using the fuel delivery systems to provide
26 E85 fuel or qualified biodiesel blends.

27 (7) **A TAXPAYER SHALL NOT CLAIM A CREDIT UNDER SUBSECTION (2)**

1 UNLESS THE BUREAU OF ENERGY SYSTEMS HAS ISSUED A CERTIFICATE TO THE
2 TAXPAYER. THE TAXPAYER SHALL ATTACH THE CERTIFICATE TO THE ANNUAL
3 RETURN FILED UNDER THIS ACT ON WHICH THE CREDIT UNDER THIS SECTION
4 IS CLAIMED. THE CERTIFICATE REQUIRED BY THIS SUBSECTION SHALL STATE
5 ALL OF THE FOLLOWING:

6 (A) THE TAXPAYER HAS INSTALLED A CHARGING STATION ON ITS
7 PROPERTY THAT IS AVAILABLE TO THE PUBLIC DURING THE TAX YEAR FOR
8 WHICH THIS CREDIT IS SOUGHT.

9 (B) THE AMOUNT OF THE COSTS INCURRED BY THE TAXPAYER DURING
10 THE DESIGNATED TAX YEAR TO INSTALL THE CHARGING STATION.

11 (C) THE TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER OR
12 THE MICHIGAN DEPARTMENT OF TREASURY NUMBER ASSIGNED TO THE
13 TAXPAYER.

14 (8) A TAXPAYER THAT CLAIMS A CREDIT UNDER SUBSECTION (2) AND
15 SUBSEQUENTLY STOPS USING THE CHARGING STATION TO PROVIDE
16 ELECTRICITY TO THE PUBLIC FOR THE PURPOSE OF CHARGING PLUG-IN
17 ELECTRIC MOTOR VEHICLES WITHIN 3 YEARS OF RECEIVING THIS CREDIT
18 MAY, AS DETERMINED BY THE MICHIGAN STRATEGIC FUND, HAVE ITS CREDIT
19 REDUCED OR TERMINATED OR HAVE A PERCENTAGE OF THE CREDIT AMOUNT
20 PREVIOUSLY CLAIMED UNDER THIS SECTION ADDED BACK TO THE TAX
21 LIABILITY OF THE TAXPAYER IN THE YEAR THAT THE TAXPAYER STOPS USING
22 THE CHARGING STATION TO PROVIDE ELECTRICITY TO THE PUBLIC FOR THE
23 PURPOSE OF CHARGING PLUG-IN ELECTRIC MOTOR VEHICLES.

24 (9) ~~(6)~~—As used in this section:

25 (a) "Biodiesel" means a fuel composed of monoalkyl esters of
26 long chain fatty acids derived from vegetable oils or animal fats,
27 and, in accordance with standards specified by the American society

1 for testing and materials, designated B100, and meeting the
2 requirements of D-6751, as approved by the department of
3 agriculture.

4 (b) "Biodiesel blend" means a fuel composed of a blend of
5 biodiesel fuel with petroleum-based diesel fuel, suitable for use
6 as a fuel in a compression-ignition internal combustion diesel
7 engine.

8 (C) "CHARGING STATION" MEANS AN ELECTRIC RECHARGING POINT
9 COMPLETE WITH ELECTRIC VEHICLE SUPPLY EQUIPMENT THAT IS CAPABLE OF
10 PROVIDING LEVEL 2 CHARGING FOR PLUG-IN ELECTRIC MOTOR VEHICLES.

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

15 (E) "ELECTRIC VEHICLE SUPPLY EQUIPMENT" MEANS THE CONDUCTORS,
16 INCLUDING THE UNGROUNDED, GROUNDED, AND EQUIPMENT GROUNDING
17 CONDUCTORS, AND THE ELECTRIC VEHICLE CONNECTORS, ATTACHMENT PLUGS,
18 AND ALL OTHER FITTINGS, DEVICES, POWER OUTLETS, OR APPARATUSES THAT
19 MEET OR EXCEED ANY STANDARDS, CODES, AND REGULATIONS SET FORTH IN R
20 408.30801 TO R 408.30876 OF THE MICHIGAN ADMINISTRATIVE CODE AND
21 THAT ARE INSTALLED SPECIFICALLY FOR THE PURPOSE OF DELIVERING
22 ENERGY FROM THE PREMISES WIRING TO A PLUG-IN ELECTRIC MOTOR
23 VEHICLE.

24 (F) "LEVEL 2 CHARGING" MEANS PROVIDING 208-240 VOLT ALTERNATE
25 CURRENT ENERGY TO AN ONBOARD CHARGER OF AN ELECTRIC MOTOR VEHICLE
26 IN A SINGLE PHASE WITH A MAXIMUM CURRENT SPECIFIED AT 32 CONTINUOUS
27 AMPS WITH A BRANCH CIRCUIT BREAKER RATED AT 40 AMPS AND THE MAXIMUM

1 CONTINUOUS INPUT POWER IS SPECIFIED AS 7.68 KILOWATTS.

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

5 (H) "MOTOR VEHICLE" MEANS THAT TERM AS DEFINED UNDER SECTION
6 30D OF THE INTERNAL REVENUE CODE, 26 USC 30D.

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

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