

# SENATE BILL No. 622

June 3, 2009, Introduced by Senators VAN WOERKOM, JELINEK, BROWN, KAHN,  
RICHARDVILLE, KUIPERS and BIRKHOLZ and referred to the Committee on Finance.

A bill to amend 2007 PA 36, entitled  
"Michigan business tax act,"  
(MCL 208.1101 to 208.1601) by adding section 460a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 460A. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,  
2        2009 AND END BEFORE JANUARY 1, 2021, A TAXPAYER THAT IS A RETAIL  
3        DEALER MAY CLAIM AN ETHANOL PROMOTION TAX CREDIT AGAINST THE TAX  
4        IMPOSED BY THIS ACT. THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS  
5        SECTION IS EQUAL TO THE PRODUCT OBTAINED BY MULTIPLYING THE  
6        RETAIL DEALER'S TOTAL ETHANOL GALLONAGE BY THE APPLICABLE TAX  
7        CREDIT RATE TO BE DETERMINED AS FOLLOWS:

8        (A) IF THE RETAIL DEALER'S BIOFUEL DISTRIBUTION PERCENTAGE  
9        IS GREATER THAN OR EQUAL TO THE BIOFUEL THRESHOLD PERCENTAGE  
10       ESTABLISHED FOR THAT TAX YEAR UNDER SUBSECTION (2), THE TAX

1 CREDIT RATE IS 6 CENTS.

2 (B) IF THE DIFFERENCE BETWEEN THE BIOFUEL THRESHOLD  
3 PERCENTAGE ESTABLISHED FOR THAT TAX YEAR UNDER SUBSECTION (2) AND  
4 THE RETAIL DEALER'S BIOFUEL DISTRIBUTION PERCENTAGE FOR THAT SAME  
5 TAX YEAR IS 2.00% OR LESS, THE TAX CREDIT RATE IS 4 CENTS.

6 (C) IF THE DIFFERENCE BETWEEN THE BIOFUEL THRESHOLD  
7 PERCENTAGE ESTABLISHED FOR THAT TAX YEAR UNDER SUBSECTION (2) AND  
8 THE RETAIL DEALER'S BIOFUEL DISTRIBUTION PERCENTAGE FOR THAT SAME  
9 TAX YEAR IS GREATER THAN 2.00% BUT LESS THAN OR EQUAL TO 4.00%,  
10 THE TAX CREDIT RATE IS 2 CENTS.

11 (D) IF THE DIFFERENCE BETWEEN THE BIOFUEL THRESHOLD  
12 PERCENTAGE ESTABLISHED FOR THAT TAX YEAR UNDER SUBSECTION (2) AND  
13 THE RETAIL DEALER'S BIOFUEL DISTRIBUTION PERCENTAGE FOR THAT SAME  
14 TAX YEAR IS GREATER THAN 4.00%, THE TAX CREDIT RATE IS 0.

15 (2) THE BIOFUEL THRESHOLD PERCENTAGE IS DETERMINED BASED ON  
16 THE RETAIL DEALER'S GASOLINE GALLONAGE SOLD DURING THE TAX YEAR  
17 AS FOLLOWS:

18	<u>TAX YEAR</u>	<u>MORE THAN 200,000 GALLONS</u>	<u>200,000 GALLONS OR LESS</u>
19	2010	10%	6%
20	2011	11%	6%
21	2012	12%	10%
22	2013	13%	11%
23	2014	14%	12%
24	2015	15%	13%
25	2016	17%	14%
26	2017	19%	15%
27	2018	21%	17%

1	2019	23%	19%
2	2020	25%	21%

3 (3) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE  
4 CALCULATED SEPARATELY FOR EACH RETAIL MOTOR FUEL SITE OPERATED BY  
5 THE TAXPAYER.

6 (4) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE  
7 LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THE TAXPAYER MAY  
8 ELECT TO HAVE THAT PORTION THAT EXCEEDS THE TAX LIABILITY OF THE  
9 TAXPAYER REFUNDED OR HAVE THE EXCESS CARRIED FORWARD TO OFFSET  
10 TAX LIABILITY IN SUBSEQUENT YEARS FOR 10 YEARS OR UNTIL IT IS  
11 USED UP, WHICHEVER OCCURS FIRST.

12 (5) AS USED IN THIS SECTION:

13 (A) "BIODIESEL GALLONAGE" MEANS THE PRODUCT OF THE TOTAL  
14 NUMBER OF GALLONS OF BIODIESEL BLENDED GASOLINE WHICH THE RETAIL  
15 DEALER SELLS FROM MOTOR FUEL PUMPS DURING THE TAX YEAR MULTIPLIED  
16 BY THE PERCENTAGE BY VOLUME OF BIODIESEL INCLUDED IN THAT  
17 GASOLINE.

18 (B) "BIOFUEL DISTRIBUTION PERCENTAGE" MEANS THE QUOTIENT OF  
19 THE SUM OF THE RETAIL DEALER'S TOTAL ETHANOL GALLONAGE AND THE  
20 RETAIL DEALER'S TOTAL BIODIESEL GALLONAGE DIVIDED BY THE RETAIL  
21 DEALER'S TOTAL GASOLINE GALLONAGE.

22 (C) "ETHANOL GALLONAGE" MEANS THE PRODUCT OF THE TOTAL  
23 NUMBER OF GALLONS OF ETHANOL BLENDED GASOLINE WHICH THE RETAIL  
24 DEALER SELLS FROM MOTOR FUEL PUMPS DURING THE TAX YEAR MULTIPLIED  
25 BY THE PERCENTAGE BY VOLUME OF ETHANOL INCLUDED IN THAT GASOLINE.  
26 FOR PURPOSES OF CALCULATING THE RETAIL DEALER'S TOTAL ETHANOL

1 GALLONAGE, THE PERCENTAGE BY VOLUME OF ETHANOL CONTENT OF E-85  
2 ETHANOL BLENDED GASOLINE IS ASSUMED TO BE 79%.

3 (D) "GASOLINE GALLONAGE" MEANS THE TOTAL NUMBER OF GALLONS  
4 OF GASOLINE SOLD BY THE RETAIL DEALER DURING THE TAX YEAR.

5 (E) "RETAIL DEALER" MEANS A PERSON THAT OWNS, LEASES,  
6 OPERATES, CONTROLS, OR SUPERVISES A RETAIL MOTOR FUEL SITE.

7 (F) "RETAIL MOTOR FUEL SITE" MEANS AN ESTABLISHMENT AT WHICH  
8 MOTOR FUEL IS SOLD OR OFFERED FOR SALE TO THE PUBLIC.