

SENATE BILL No. 1498

September 15, 2010, Introduced by Senator PRUSI and referred to the Committee on Finance.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
by amending section 439 (MCL 208.1439).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 439. (1) A taxpayer may claim a credit against the tax
2 imposed by this act equal to \$1.00 per long ton of qualified low-
3 grade hematite consumed in an industrial or manufacturing process
4 that is the business activity of the taxpayer. **AN UNUSED**
5 **CARRYFORWARD OF A CREDIT UNDER SECTION 39D OF FORMER 1975 PA 228**
6 **THAT WAS UNUSED AT THE END OF THE LAST TAX YEAR FOR WHICH FORMER**
7 **1975 PA 228 WAS IN EFFECT MAY BE CLAIMED AGAINST THE TAX IMPOSED**
8 **UNDER THIS ACT FOR THE YEARS THE CARRYFORWARD WOULD HAVE BEEN**
9 **AVAILABLE UNDER SECTION 39D OF FORMER 1975 PA 228.**

10 (2) If the credit allowed under this section for the tax year

1 and any unused carryforward of the credit allowed under this
2 section exceed the tax liability of the taxpayer for the tax year,
3 the excess shall not be refunded, but may be carried forward as an
4 offset to the tax liability in subsequent tax years for 5 tax years
5 or until the excess credit is used up, whichever occurs first.

6 (3) A TAXPAYER MAY ASSIGN ALL OR A PORTION OF A CREDIT ALLOWED
7 UNDER THIS SECTION OR SECTION 39D OF FORMER 1975 PA 228. A TAXPAYER
8 MAY CLAIM A PORTION OF A CREDIT AND ASSIGN THE REMAINING CREDIT
9 AMOUNT. A CREDIT ASSIGNMENT UNDER THIS SUBSECTION IS IRREVOCABLE. A
10 CREDIT ASSIGNMENT UNDER THIS SUBSECTION SHALL BE MADE ON A FORM
11 PRESCRIBED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY. AN ASSIGNEE
12 SHALL SEND A COPY OF THE COMPLETED ASSIGNMENT FORM TO THE
13 DEPARTMENT AND SHALL ATTACH A COPY OF THE COMPLETED ASSIGNMENT FORM
14 TO ITS ANNUAL RETURN REQUIRED UNDER THIS ACT FOR THE TAX YEAR IN
15 WHICH THE CREDIT IS CLAIMED.

16 (4) ~~(3)~~—The credit under this section shall be based on low-
17 grade hematite consumed on and after January 1, 2000.

18 (5) ~~(4)~~—As used in this section:

19 (a) "Consumed in an industrial or manufacturing process" means
20 a process in which low-grade hematite is used as a raw material in
21 the production of pig iron or steel.

22 (b) "Low-grade hematite" means any hematitic iron formation
23 that is not of sufficient quality in its original mineral state to
24 be mined and shipped for the production of pig iron or steel
25 without first being drilled, blasted, crushed, and ground very fine
26 to liberate the iron minerals and for which additional
27 beneficiation and agglomeration are required to produce a product

1 of sufficient quality to be used in the production of pig iron or
2 steel.

3 (C) "MICHIGAN ECONOMIC GROWTH AUTHORITY" MEANS THE MICHIGAN
4 ECONOMIC GROWTH AUTHORITY CREATED IN THE MICHIGAN ECONOMIC GROWTH
5 AUTHORITY ACT, 1995 PA 24, MCL 207.801 TO 207.810.

6 (D) ~~(e)~~—"Qualified low-grade hematite" means pellets produced
7 from low-grade hematitic iron ore mined in the United States.