

HOUSE BILL No. 5066

October 13, 2011, Introduced by Rep. Stamas and referred to the Committee on Government Operations.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
by amending section 413 (MCL 208.1413), as amended by 2007 PA 145.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 413. (1) Subject to subsection (2), a taxpayer may claim
2 a credit against the tax imposed by this act equal to the
3 following:

4 (a) For property taxes levied after December 31, 2007, 35% of
5 the amount paid for property taxes on eligible personal property in
6 the tax year.

7 (b) Twenty-three percent of the amount paid for property taxes
8 levied on eligible telephone personal property in the 2008 tax year
9 and 13.5% of the amount paid for property taxes levied on eligible
10 telephone personal property in subsequent tax years.

11 (c) For property taxes levied after December 31, 2007, 10% of

1 the amount paid for property taxes on eligible natural gas pipeline
2 property in the tax year.

3 (2) To qualify for the credit under subsection (1), the
4 taxpayer shall file, if applicable, within the time prescribed each
5 of the following:

6 (a) The statement of assessable personal property prepared
7 pursuant to section 19 of the general property tax act, 1893 PA
8 206, MCL 211.19, identifying the eligible personal property or
9 eligible natural gas pipeline property, or both, for which the
10 credit under subsection (1) is claimed.

11 (b) The annual report filed under section 6 of 1905 PA 282,
12 MCL 207.6, identifying the eligible telephone personal property for
13 which the credit under subsection (1) is claimed.

14 (c) The assessment or bill issued to and paid by the taxpayer
15 for the eligible personal property, eligible natural gas pipeline
16 property, or eligible telephone property for which the credit under
17 subsection (1) is claimed.

18 (3) If the amount of the credit allowed under this section
19 exceeds the tax liability of the taxpayer for the tax year, that
20 excess shall be refunded.

21 (4) As used in this section:

22 (a) "Eligible natural gas pipeline property" means natural gas
23 pipelines that are classified as utility personal property under
24 section 34c of the general property tax act, 1893 PA 206, MCL
25 211.34c, and are subject to regulation under the natural gas act,
26 15 USC 717 to 717z.

27 (b) "Eligible personal property" means **THE FOLLOWING:**

1 **(i) EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (ii),** personal
 2 property that is classified as industrial personal property under
 3 section 34c of the general property tax act, 1893 PA 206, MCL
 4 211.34c, or in the case of personal property that is subject to
 5 1974 PA 198, MCL 207.551 to 207.572, is situated on land classified
 6 as industrial real property under section 34c of the general
 7 property tax act, 1893 PA 206, MCL 211.34c.

8 **(ii) ELIGIBLE PERSONAL PROPERTY DOES NOT INCLUDE GAS, STEAM, OR**
 9 **COAL-FIRED TURBINES USED IN THE GENERATION OF ELECTRICITY.**

10 (c) "Eligible telephone personal property" means personal
 11 property of a telephone company subject to the tax levied under
 12 1905 PA 282, MCL 207.1 to 207.21.

13 (d) "Property taxes" means any of the following:

14 (i) Taxes collected under the general property tax act, 1893 PA
 15 206, MCL 211.1 to 211.155.

16 (ii) Taxes levied under 1974 PA 198, MCL 207.551 to 207.572.

17 (iii) Taxes levied under the obsolete property rehabilitation
 18 act, 2000 PA 146, MCL 125.2781 to 125.2797.

19 (iv) Taxes levied under 1905 PA 282, MCL 207.1 to 207.21.

20 Enacting section 1. This amendatory act is intended to clarify
 21 and express the original intent of the legislature concerning the
 22 eligibility of gas, steam, or coal-fired turbines used in the
 23 generation of electricity for the credit provided under section 413
 24 of the Michigan business tax act, 2007 PA 36, MCL 208.1413. This
 25 amendatory act is retroactive and is effective January 1, 2008 and
 26 applies to all business activity occurring after December 31, 2007.