

HOUSE BILL NO. 4722

July 01, 2025, Introduced by Reps. Witwer, Alexander, Bierlein, Neyer, Cavitt, Markkanen, Kunse, Schmaltz, Martin, Frisbie, Jenkins-Arno, Fox, DeBoyer, Harris, Pavlov, Liberati, T. Carter, Snyder, Foreman, Weiss and Fitzgerald and referred to Committee on Transportation and Infrastructure.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.847) by adding section 279.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 279. (1) Subject to subsection (4), for tax years
2 beginning on and after January 1, 2025 through December 31, 2030, a
3 taxpayer who is a retail dealer may claim a credit against the tax
4 imposed by this part equal to the sum of the following:
5 (a) \$0.02 per gallon of biodiesel blend of at least 6.0%
6 biodiesel but not more than 9.0% biodiesel that the retail dealer

1 sells and dispenses through metered pumps at the retail dealer's
2 motor fuel site during the tax year.

3 (b) \$0.05 per gallon of biodiesel blend of at least 10%
4 biodiesel but not more than 19% biodiesel that the retail dealer
5 sells and dispenses through metered pumps at the retail dealer's
6 motor fuel site during the tax year.

7 (c) \$0.07 per gallon of biodiesel blend of at least 20%
8 biodiesel that the retail dealer sells and dispenses through
9 metered pumps at the retail dealer's motor fuel site during the tax
10 year.

11 (2) Subject to the limitation under this subsection, for tax
12 years beginning on and after January 1, 2025 through December 31,
13 2030, a taxpayer who is a biodiesel producer in this state may
14 claim a credit against the tax imposed by this part equal to \$0.02
15 per gallon of biodiesel produced in this state during the tax year.
16 The aggregate amount of credits allowed under this subsection and
17 section 679(2) during a tax year shall not exceed \$2,000,000.00. If
18 the aggregate amount of credits claimed under this subsection and
19 section 679(2) exceeds the cap, the amount of the credit allowed
20 for each taxpayer is limited to the taxpayer's pro rata share. The
21 taxpayer's pro rata share shall be the aggregate amount of the
22 credit allowed multiplied by a fraction the numerator of which is
23 the amount of credit claimed by the taxpayer under this subsection
24 for that tax year and the denominator of which is the sum of the
25 credits claimed by all taxpayers under this subsection and section
26 679(2) for that tax year.

27 (3) For a taxpayer who is a member of a flow-through entity
28 that qualifies for the credit under this section, that taxpayer may
29 claim a credit against the member's tax liability under this part

1 based on the member's distributive share of business income
2 reported from that flow-through entity or an alternative method
3 approved by the department.

4 (4) The aggregate amount of credits allowed under subsection
5 (1) and section 679(1) during a tax year shall not exceed
6 \$16,000,000.00. If the aggregate amount of credits claimed under
7 subsection (1) and section 679(1) exceeds the cap, the amount of
8 the credit allowed for each taxpayer is limited to the taxpayer's
9 pro rata share. The taxpayer's pro rata share shall be the
10 aggregate amount of the credit allowed multiplied by a fraction the
11 numerator of which is the amount of credit claimed by the taxpayer
12 under subsection (1) for that tax year and the denominator of which
13 is the sum of the credits claimed by all taxpayers under subsection
14 (1) and section 679(1) for that tax year.

15 (5) If the credit allowed under this section for the tax year
16 exceeds the tax liability of the taxpayer for the tax year, that
17 portion of the credit that exceeds the tax liability shall be
18 refunded.

19 (6) As used in this section:

20 (a) "Biodiesel" means a diesel fuel substitute consisting of
21 methyl or ethyl esters produced from the transesterification of
22 animal or vegetable fats with methanol or ethanol that meets the
23 ASTM international standard D6751.

24 (b) "Biodiesel blend" means a blended motor fuel comprised of
25 a blend of biodiesel fuel with petroleum-based diesel fuel,
26 suitable for use as a fuel in a compression-ignition internal
27 combustion diesel engine.

28 (c) "Blended motor fuel" and "diesel fuel" mean those terms as
29 defined in section 2 of the motor fuel tax act, 2000 PA 403, MCL

1 207.1002.

2 (d) "Motor fuel" means that term as defined in section 4 of
3 the motor fuel tax act, 2000 PA 403, MCL 207.1004.

4 (e) "Motor fuel site" means an establishment at which motor
5 fuel is sold or offered for sale to the public.

6 (f) "Retail dealer" means the ultimate vendor as that term is
7 defined in section 6 of the motor fuel tax act, 2000 PA 403, MCL
8 207.1006.

9 Enacting section 1. This amendatory act does not take effect
10 unless House Bill No. ____ (request no. H02234'25) of the 103rd
11 Legislature is enacted into law.