

SOLAR ENERGY FACILITIES TAXATION ACT (EXCERPT)

Act 108 of 2023

211.1159 Solar energy facilities specific tax; levy; amount; disbursement of payments; renaissance zone exemption.

Sec. 9. (1) The solar energy facilities tax is levied on the owner or lessee of a qualified facility to which a certificate is in effect under this act, as described in subsections (2) to (5).

(2) Except as provided in subsections (3), (4), and (5), the amount of the solar energy facilities tax, in each year after the facility is placed in service, is equal to \$7,000.00 per megawatt of nameplate capacity, alternating current as reported on the annual form prescribed under section 8(1).

(3) The amount of the specific tax as prescribed in subsection (2) must be reduced to \$2,000.00 per megawatt of nameplate capacity, alternating current as reported on the annual form prescribed under section 8(1), for a qualified facility located on 1 or more of the following:

(a) Property owned by this state either at the time of installation of the qualified facility or immediately prior to a sale of the property to accommodate the installation of the qualified facility.

(b) Property located in an opportunity zone designated by the United States Department of Treasury in April 2018 under the tax cuts and jobs act of 2017, Public Law No. 115-97.

(c) Property that was used or is currently used for commercial or industrial purposes and that is a facility, historic resource, functionally obsolete, or blighted, as those terms are defined in section 2 of the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2652, or a site or property as those terms are defined in section 21303 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.21303.

(d) Improved real property used for another purpose if the qualified facility is attached to the improvement.

(4) For construction in progress, the specific tax prescribed in subsections (2) and (3) must be reduced by 50%.

(5) After the effective date of the certificate, but prior to the commencement of construction in progress, the specific tax prescribed in subsections (2) and (3) must be reduced by 100%.

(6) The solar energy facilities tax is an annual tax that becomes a lien on July 1, payable at the same time and to the same officer or officers as taxes imposed under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, are payable. Interest must be added to delinquent amounts paid after September 14 at a rate of 1% per month or fraction of a month. Except as otherwise provided in this section, the officer or officers shall disburse the specific tax payments received by the officer or officers each year to and among this state, cities, school districts, townships, counties, villages, and authorities by December 1 using the tax rates levied in the year in the same proportions as required by law for the disbursement of taxes collected on industrial personal property under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, as of the effective date of this act.

(7) For intermediate school districts receiving state aid under sections 56 and 62 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656 and 388.1662, of the amount of the specific tax that would otherwise be disbursed to an intermediate school district, all or a portion, to be determined on the basis of the tax rates being utilized to compute the amount of state aid, must be paid to the state treasury to the credit of the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(8) The officer or officers shall send a copy of the amount of disbursement made to each unit under this section to the department on a form provided by the department.

(9) A qualified facility located in a renaissance zone under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, is exempt from the specific tax levied under this act to the extent and for the duration provided pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, except for that portion of the specific tax attributable to a special assessment or a tax described in section 7ff(2) of the general property tax act, 1893 PA 206, MCL 211.7ff. The specific tax calculated under this subsection must be disbursed proportionately to the taxing unit or units that levied the special assessment or the tax described in section 7ff(2) of the general property tax act, 1893 PA 206, MCL 211.7ff.

History: 2023, Act 108, Imd. Eff. July 27, 2023.