

HOUSE BILL No. 6356

July 23, 2008, Introduced by Reps. Pearce, Hildenbrand, Agema, Moss, Shaffer, Hune, Marleau, Hoogendyk, Horn, Casperson, Steil, LaJoy, Pastor, Booher, Sheen, Caul, Palmer, Moore, Opsommer, Gaffney, Caswell, Stahl, Rick Jones, Knollenberg, Pavlov, Moolenaar, Nitz, Amos, Hansen, Ward, Rocca, Meltzer, Proos, Elsenheimer, Schuitmaker, Acciavatti, Meekhof, Nofs, Stakoe, Green, Ball, David Law, Palsrok, Walker, Garfield, DeRoche, Huizenga, Clemente, Calley, Sheltroun and Wenke and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 254.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 254. (1) EXCEPT AS OTHERWISE PROVIDED UNDER THIS SECTION,
2 A TAXPAYER THAT IS ENGAGED IN THE RESEARCH AND DEVELOPMENT OF
3 INDUCED PLURIPOTENT STEM CELLS MAY CLAIM A CREDIT AGAINST THE TAX
4 IMPOSED BY THIS ACT EQUAL TO 2.40% OF THE TAXPAYER'S RESEARCH AND
5 DEVELOPMENT EXPENSES IN THIS STATE IN THE TAX YEAR. THE MAXIMUM
6 AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION SHALL NOT EXCEED
7 65% OF THE TAXPAYER'S TAX LIABILITY IMPOSED UNDER THIS ACT.

8 (2) A TAXPAYER THAT IS ALSO ENGAGED IN THE RESEARCH AND
9 DEVELOPMENT OF HUMAN EMBRYONIC STEM CELLS IS NOT ALLOWED TO CLAIM
10 THE CREDIT UNDER THIS SECTION.

(3) AS USED IN THIS SECTION:

(A) "INDUCED PLURIPOTENT STEM CELL RESEARCH" MEANS THE PROCESS OF GENERATING INDUCED PLURIPOTENT STEM CELLS OR USING INDUCED PLURIPOTENT STEM CELLS TO STUDY DISEASE, DEVELOP DRUGS, CREATE CELL-BASED THERAPIES, OR DEVELOP OR MANUFACTURE PRODUCTS OR FOR USE IN TRANSPLANTATION MEDICINE OR OTHER BENEFICIAL RESEARCH ACTIVITIES.

(B) "INDUCED PLURIPOTENT STEM CELLS" MEANS DEDIFFERENTIATED ADULT HUMAN SOMATIC CELLS THAT ARE PLURIPOTENT, ARE NONEMBRYONIC FUNCTIONAL EQUIVALENTS OF EMBRYONIC STEM CELLS, AND ARE GENERATED BY REPROGRAMMING DIFFERENTIATED HUMAN SOMATIC CELLS INTO A PLURIPOTENT STATE WITHOUT USING HUMAN EGGS, EMBRYOS, OR EMBRYONIC STEM CELLS.

(C) "PLURIPOTENT" MEANS THE ABILITY TO PERPETUALLY DIFFERENTIATE INTO MESODERM, ECTODERM, AND ENDODERM.

(D) "RESEARCH AND DEVELOPMENT EXPENSES" MEANS QUALIFIED RESEARCH EXPENSES AS THAT TERM IS DEFINED UNDER SECTION 41 OF THE INTERNAL REVENUE CODE.

(E) "RESEARCH AND DEVELOPMENT OF HUMAN EMBRYONIC STEM CELLS" MEANS THE ACTIVITY OF EXTRACTING STEM CELLS FROM EMBRYOS OR USING STEM CELLS EXTRACTED FROM EMBRYOS TO STUDY DISEASE, DEVELOP DRUGS, CREATE CELL-BASED THERAPIES, OR DEVELOP OR MANUFACTURE PRODUCTS OR FOR USE IN TRANSPLANTATION MEDICINE OR OTHER BENEFICIAL RESEARCH ACTIVITIES.