

HOUSE BILL No. 4107

January 22, 2009, Introduced by Rep. Mayes and referred to the Committee on Energy and Technology.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 278.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 278. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2008, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS
3 ACT EQUAL TO 25% OF THE TOTAL AMOUNT PAID TO PURCHASE AND INSTALL A
4 BIOMASS BURNING STOVE IN A RESIDENTIAL PROPERTY OWNED BY THE
5 TAXPAYER.

6 (2) THE TAXPAYER SHALL CLAIM 20% OF THE AMOUNT OF THE CREDIT
7 ALLOWED UNDER THIS SECTION FOR THE PURCHASE AND INSTALLATION OF
8 EACH BIOMASS BURNING STOVE IN THE TAX YEAR OF THE PURCHASE AND
9 INSTALLATION AND 20% OF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS
10 SECTION FOR THE PURCHASE AND INSTALLATION OF EACH BIOMASS BURNING

1 STOVE IN EACH OF THE SUBSEQUENT 4 TAX YEARS.

2 (3) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
3 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT
4 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE
5 REFUNDED.

6 (4) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE CLAIMED ON
7 A FORM DEVELOPED BY THE DEPARTMENT THAT IS A FORM SEPARATE FROM THE
8 ANNUAL RETURN REQUIRED UNDER THIS ACT AND SHALL BE FILED WITH THE
9 TAXPAYER'S ANNUAL RETURN EACH YEAR THAT A CREDIT UNDER THIS SECTION
10 IS CLAIMED.

11 (5) THE TAXPAYER SHALL ATTACH PROOF OF THE PURCHASE AND
12 INSTALLATION TO THE FORM UNDER SUBSECTION (4) IN THE YEAR THAT THE
13 TAXPAYER PURCHASES AND INSTALLS THE BIOMASS BURNING STOVE.

14 (6) THE TAXPAYER SHALL ATTACH A RECEIPT FOR BIOMASS FUEL
15 PURCHASED IN THE TAX YEAR TO THE ANNUAL RETURN ON WHICH A CREDIT
16 UNDER THIS SECTION IS CLAIMED FOR EACH OF THE 4 YEARS AFTER THE
17 YEAR IN WHICH THE TAXPAYER PURCHASED AND INSTALLED THE BIOMASS
18 BURNING STOVE.

19 (7) AS USED IN THIS SECTION:

20 (A) "BIOMASS BURNING STOVE" MEANS A STOVE OR BOILER DESIGNED
21 SPECIFICALLY TO UTILIZE BIOMASS FUEL AND THAT HAS A CAPACITY OF AT
22 LEAST 500,000 BTUS. BIOMASS BURNING STOVE DOES NOT INCLUDE A
23 CONVENTIONAL WOOD BURNING STOVE.

24 (B) "BIOMASS FUEL" MEANS PELLETS MADE FROM AGRICULTURAL OR
25 FOREST PRODUCTS WASTE, INCLUDING, BUT NOT LIMITED TO, CORN, WOOD,
26 AND SWITCHGRASS.