

HOUSE BILL NO. 4128

February 25, 2025, Introduced by Reps. VanWoerkom, Steckloff, Bohnak, Woolford, Prestin, Wozniak, Andrews, BeGole, McFall, Schuette, Alexander, Thompson, Aragona and Bruck and referred to Committee on Energy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.847) by adding section 678.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 678. (1) Subject to the limitations under this section,
2 for tax years beginning on and after the effective date of the
3 amendatory act that added this section, a taxpayer may claim a
4 credit against the tax imposed under this part equal to the product
5 of \$1.00 multiplied by the number of kilowatt hours of electricity
6 produced by the taxpayer utilizing small modular reactors at a

1 qualified facility and sold by the taxpayer to an unrelated person
2 during the tax year. For purposes of this subsection, a person is
3 related to the taxpayer if that person is under common control.

4 (2) A taxpayer is only eligible to claim the credit under this
5 section for the first 10 years of operation after the small modular
6 reactors were originally placed in service. A taxpayer is only
7 eligible to claim a credit for the first 10,000 megawatts of
8 electricity produced by a single qualified facility.

9 (3) The department may require the taxpayer to provide
10 documentation supporting the facility's eligibility and the amount
11 of electricity produced.

12 (4) If the amount of the credit allowed under this section
13 exceeds the tax liability of the taxpayer for the tax year, the
14 excess shall not be refunded, but may be carried forward as an
15 offset to the tax liability in subsequent tax years for 15 tax
16 years or until the excess credit is used up, whichever occurs
17 first.

18 (5) As used in this section:

19 (a) "Advanced nuclear reactors" means that term as defined in
20 42 USC 16271.

21 (b) "Advanced nuclear reactor facility" means a facility that
22 uses advanced nuclear reactor technologies.

23 (c) "Advanced nuclear reactor technologies" means material
24 improvements to a utilization facility, as that term is defined in
25 42 USC 2014 and 10 CFR 50.2, that has significant improvements,
26 including additional inherent safety features, compared to reactors
27 operating before January 1, 2016, in the United States. Advanced
28 nuclear reactor technologies include both of the following:

29 (i) Advanced nuclear reactors.

1 (ii) Existing electricity generating facilities benefiting from
2 research, development, demonstration, and commercialization
3 programs, as described in 42 USC 16272, in this state powered by
4 nuclear energy that have completed a life cycle management program.

5 (d) "Qualified facility" means an advanced nuclear reactor
6 facility that is owned by the taxpayer and uses small modular
7 reactors to produce electricity and the small modular reactors were
8 placed in service before June 1, 2030.

9 (e) "Small modular reactors" means small-scale advanced
10 nuclear reactors that use fission to generate electricity, have a
11 power capacity of up to 350 megawatts of electricity, and may be
12 constructed and operated in combination with similar reactors at a
13 single site.

14 Enacting section 1. This amendatory act does not take effect
15 unless all of the following bills of the 103rd Legislature are
16 enacted into law:

17 (a) House Bill No. 4124 (request no. H00154'25).

18 (b) House Bill No. 4127 (request no. H00155'25).

19 (c) House Bill No. 4129 (request no. H00156'25).

20 (d) House Bill No. 4125 (request no. H00157'25).

21 (e) House Bill No. 4126 (request no. H00158'25).