

HOUSE BILL No. 4444

March 25, 2003, Introduced by Reps. Kooiman, Milosch, LaJoy, Vander Veen, Stahl, Brandenburg, Nofs, Voorhees, Amos, Acciavatti and Huizenga and referred to the Committee on Tax Policy.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
(MCL 208.1 to 208.145) by adding section 37e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 37e. (1) For tax years that begin after December 31,
2 2002, a taxpayer may claim a credit of up to 20% of the amount
3 paid in the tax year to purchase and install machinery and
4 equipment used exclusively in or on the premises of a
5 manufacturing facility in this state that is the taxpayer's place
6 of business and that is used to manufacture, process, compound,
7 or produce items of tangible personal property from recyclable
8 materials for sale or to process postconsumer waste material used
9 exclusively to produce finished products.

10 (2) To qualify for the credit allowed under this section, the
11 taxpayer shall submit all of the following with the annual return

HOUSE BILL No. 4444

1 required by this act on which the credit is claimed:

2 (a) Certification from the department of environmental
3 quality that the machinery and equipment purchased or installed
4 are integral to the recycling process.

5 (b) Documentation of the cost paid for the machinery or
6 equipment and for the installation of the machinery or
7 equipment.

8 (3) If the total credit allowed under this section for the
9 tax year and any unused carryforward of the credit allowed by
10 this section exceed the taxpayer's tax liability for the tax
11 year, that portion that exceeds the tax liability for the tax
12 year shall not be refunded but may be carried forward to offset
13 tax liability in subsequent tax years for 10 years or until used
14 up, whichever occurs first.

15 (4) As used in this section:

16 (a) "Manufacturing facility" means buildings and structures
17 the primary purpose of which is either of the following:

18 (i) The manufacture of goods or materials or the processing
19 of goods and materials by physical or chemical change.

20 (ii) Research and development laboratories of companies
21 whether or not the company manufactures the products developed
22 from their research activities if the research activities are
23 related solely to the manufacture, processing, compounding, or
24 production of items of tangible personal property from recyclable
25 materials or to processing postconsumer waste material used
26 exclusively to produce finished products.

27 (b) "Recyclable materials" means any product generated by a

1 taxpayer that has served its intended end use and that has been
2 separated from solid waste for the purpose of collection,
3 marketing, and disposition and that does not include demolition
4 waste or more than 15% secondary waste material or demolition
5 waste.

6 (c) "Secondary waste material" means waste material generated
7 after the completion of a manufacturing process.