

HOUSE BILL No. 5898

March 13, 2008, Introduced by Reps. Moolenaar, Horn, Mayes, Espinoza, Coulouris, Caul, Opsommer, Moore, Emmons, Nofs, Corriveau and Walker and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
(MCL 208.1101 to 208.1601) by adding section 430.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 430. (1) FOR TAX YEARS THAT BEGIN ON OR AFTER JANUARY 1,
2 2009, A TAXPAYER WHOSE PRIMARY BUSINESS ACTIVITY IS ENGAGING IN THE
3 RESEARCH, DEVELOPMENT, OR MANUFACTURING OF PHOTOVOLTAIC ENERGY,
4 PHOTOVOLTAIC SYSTEMS, AND OTHER PHOTOVOLTAIC TECHNOLOGY MAY CLAIM A
5 CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO THE GREATER OF
6 EITHER OF THE FOLLOWING:

7 (A) 50% OF THE AMOUNTS REALIZED FROM INVESTMENTS MADE BY THE
8 TAXPAYER ON AND AFTER JANUARY 1, 2009 IN THE RESEARCH, DEVELOPMENT,
9 OR MANUFACTURING OF PHOTOVOLTAIC ENERGY, PHOTOVOLTAIC SYSTEMS, AND

1 OTHER PHOTOVOLTAIC TECHNOLOGY IN THIS STATE DURING THE TAX YEAR.

2 (B) 50% OF THE TAXPAYER'S RESEARCH, DEVELOPMENT, AND
3 MANUFACTURING EXPENSES INCURRED IN THIS STATE DURING THE TAX YEAR.

4 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX
5 LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT PORTION THAT
6 EXCEEDS THE TAX LIABILITY IS REFUNDABLE.

7 (3) A TAXPAYER THAT CLAIMS A CREDIT UNDER THIS SECTION IS NOT
8 PROHIBITED FROM CLAIMING A CREDIT UNDER SECTION 405. HOWEVER, THE
9 TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION AND SECTION
10 405 BASED ON THE SAME RESEARCH AND DEVELOPMENT EXPENSES OR
11 INVESTMENTS.

12 (4) AS USED IN THIS SECTION:

13 (A) "PHOTOVOLTAIC CELLS" MEAN AN INTEGRATED DEVICE CONSISTING
14 OF LAYERS OF SEMICONDUCTOR MATERIALS AND ELECTRIC CONTRACTS CAPABLE
15 OF CONVERTING INCIDENT LIGHT DIRECTLY INTO ELECTRICITY.

16 (B) "PHOTOVOLTAIC ENERGY" MEANS SOLAR ENERGY.

17 (C) "PHOTOVOLTAIC MODULES" MEAN AN ASSEMBLY OF INTERCONNECTED
18 PHOTOVOLTAIC CELLS.

19 (D) "PHOTOVOLTAIC SYSTEMS" MEAN SOLAR ENERGY DEVICES COMPOSED
20 OF 1 OR MORE PHOTOVOLTAIC CELLS OR PHOTOVOLTAIC MODULES, AND
21 INVERTER OR OTHER POWER CONDITIONING UNIT OR PHOTOVOLTAIC
22 TECHNOLOGY DESIGNED TO DELIVER POWER OF A SELECTED CURRENT AND
23 VOLTAGE, WIRES, AND OTHER ELECTRICAL CONNECTORS IN ORDER TO
24 GENERATE ELECTRICITY, HEAT OR COOL A RESIDENTIAL STRUCTURE, PROVIDE
25 HOT WATER FOR USE IN A RESIDENTIAL STRUCTURE, OR PROVIDE SOLAR
26 PROCESS HEAT. BATTERIES FOR POWER STORAGE MAY ALSO BE INCLUDED IN
27 PHOTOVOLTAIC SYSTEMS.

1 (E) "PHOTOVOLTAIC TECHNOLOGY" MEANS SOLAR POWER TECHNOLOGY
2 THAT USES PHOTOVOLTAIC CELLS AND MODULES TO CONVERT LIGHT FROM THE
3 SUN DIRECTLY INTO ELECTRICITY. PHOTOVOLTAIC TECHNOLOGY INCLUDES
4 EQUIPMENT, COMPONENT PARTS, MATERIALS, ELECTRONIC DEVICES, TESTING
5 EQUIPMENT, AND OTHER RELATED SYSTEMS THAT ARE SPECIFICALLY DESIGNED
6 OR FABRICATED AND USED PRIMARILY FOR 1 OR MORE OF THE FOLLOWING:

7 (i) THE STORAGE, GENERATION, REFORMATION, OR DISTRIBUTION OF
8 CLEAN FUELS INTEGRATED WITHIN A PHOTOVOLTAIC SYSTEM.

9 (ii) THE PROCESS OF UTILIZING PHOTOVOLTAIC ENERGY TO GENERATE
10 ELECTRICITY FOR USE BY CONSUMERS.