

# SENATE BILL No. 1213

March 18, 2008, Introduced by Senators KAHN, BARCIA, KUIPERS, ALLEN, VAN WOERKOM, CHERRY and PAPPAGEORGE and referred to the Committee on Finance.

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.