

HOUSE BILL NO. 4443

March 04, 2021, Introduced by Reps. Lilly, Hertel, Manoogian, Sabo, Coleman, Filler, Garza, Hall, Damoose, Steenland, Brixie, Cambensy, O'Malley, Howell, Liberati, Hauck, Outman, Wozniak, Marino, Clements, Bellino, Tate, Jones and Yancey and referred to the Committee on Regulatory Reform.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.713) by adding sections 279 and 679.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 279. (1) For tax years that begin on and after January 1,**
2 **2020, a taxpayer that is a distributor who originates a deposit on**
3 **a beverage container may claim a credit against the tax imposed**
4 **under this part equal to the sum of the following:**
5 **(a) Except as otherwise provided under this subdivision,**

1 \$0.005 per returnable container sold during the tax year. Beginning
2 with the 2021 tax year and each tax year after 2021, the amount of
3 the credit allowed under this subdivision shall be adjusted by the
4 percentage increase in the United States Consumer Price Index for
5 the immediately preceding calendar year.

6 (b) The refund value established under section 2 of 1976 IL 1,
7 MCL 445.572, per returnable container over-redeemed during the tax
8 year.

9 (2) The taxpayer shall attach the report required under
10 section 3a of 1976 IL 1, MCL 445.573a, to the annual return filed
11 under this part on which a credit under this section is claimed.

12 (3) If the distributor is a partnership, limited liability
13 company, or subchapter S corporation, the credit under this section
14 may be claimed against the partner's, member's, or shareholder's
15 tax liability under this part based on the partner's, member's, or
16 shareholder's proportionate share of ownership or an alternative
17 method approved by the department. If the credit allowed by this
18 section exceeds the tax liability of the taxpayer for the tax year,
19 that portion of the credit that exceeds the tax liability of the
20 taxpayer for the tax year shall be refunded.

21 (4) As used in this section:

22 (a) "Beverage container", "distributor", and "returnable
23 container" mean those terms as defined in section 1 of 1976 IL 1,
24 MCL 445.571.

25 (b) "United States Consumer Price Index" means the United
26 States Consumer Price Index for all urban consumers as defined and
27 reported by the United States Department of Labor, Bureau of Labor
28 Statistics.

29 Sec. 679. (1) For tax years that begin on and after January 1,

1 2020, a taxpayer that is a distributor who originates a deposit on
2 a beverage container may claim a credit against the tax imposed
3 under this part equal to the sum of the following:

4 (a) Except as otherwise provided under this subdivision,
5 \$0.005 per returnable container sold during the tax year. Beginning
6 with the 2021 tax year and each tax year after 2021, the amount of
7 the credit allowed under this subdivision shall be adjusted by the
8 percentage increase in the United States Consumer Price Index for
9 the immediately preceding calendar year.

10 (b) The refund value established under section 2 of 1976 IL 1,
11 MCL 445.572, per returnable container over-redeemed during the tax
12 year.

13 (2) The taxpayer shall attach the report required under
14 section 3a of 1976 IL 1, MCL 445.573a, to the annual return filed
15 under this part on which a credit under this section is claimed.

16 (3) If the credit allowed by this section exceeds the tax
17 liability of the taxpayer for the tax year, that portion of the
18 credit that exceeds the tax liability of the taxpayer for the tax
19 year shall be refunded.

20 (4) As used in this section:

21 (a) "Beverage container", "distributor", and "returnable
22 container" mean those terms as defined in section 1 of 1976 IL 1,
23 MCL 445.571.

24 (b) "United States Consumer Price Index" means the United
25 States Consumer Price Index for all urban consumers as defined and
26 reported by the United States Department of Labor, Bureau of Labor
27 Statistics.

28 Enacting section 1. This amendatory act is intended to be
29 retroactive and applies retroactively to tax years that begin on

1 and after January 1, 2020.