

**STATE BOARD OF ASSESSORS; ASSESSMENT OF PROPERTY OF CERTAIN PUBLIC UTILITIES  
(EXCERPT)  
Act 282 of 1905**

**207.13b Tax credit; amount; limitation; prohibition; credit against remaining tax; carrying forward credit to offset tax liability in subsequent years; application; submission to state board of assessors; form; definitions.**

Sec. 13b.

(1) Subject to subsections (2), (3), and (4), a company shall be allowed a credit against the tax imposed under this act for the tax year equal to 6% of eligible expenditures incurred in the calendar year immediately preceding the tax year for which the credit under this subsection is claimed.

(2) The amount of the credit under subsection (1) shall be limited as follows:

(a) For the 2003 tax year, the credit shall not exceed 3% of the company's liability for the tax levied under this act in the 2003 tax year.

(b) For the 2004 tax year, the credit shall not exceed the greater of 6% of the company's liability for the tax levied under this act in the 2004 tax year or 100% of the credit the company received under this subsection in the 2003 tax year.

(c) For the 2005 tax year, the credit shall not exceed the greater of 9% of the company's liability for the tax levied under this act in the 2005 tax year or 100% of the credit the company received under this subsection in the 2004 tax year.

(d) For the 2006 tax year and each year after the 2006 tax year, the credit shall not exceed the greater of 12% of the company's liability for the tax levied under this act in the tax year in which the credit is claimed or 100% of the credit the company received under this subsection in the immediately preceding tax year.

(3) The amount of the credit under subsection (1) shall not exceed a company's liability for the tax levied under this act in the tax year in which the credit is claimed.

(4) A credit under subsection (1) may not be claimed by a company in a tax year in which 1 or more of the following conditions apply:

(a) The company is not subject to the annual maintenance fee required under section 8 of the metropolitan extension telecommunications rights-of-way oversight act.

(b) The company is subject to the annual maintenance fees required under section 8 of the metropolitan extension telecommunications rights-of-way oversight act, and has failed to pay the annual maintenance fees that are due and payable as of May 1 in that year.

(5) After any credit under subsection (1) is determined, a company shall be allowed a credit against any remaining tax imposed under this act equal to the credit allowed under section 8 of the metropolitan extension telecommunications rights-of-way oversight act, less the amount of any credit determined under subsection (1). If the credit allowed under this subsection for the tax year and any unused carryforward of the credit allowed by this subsection exceed the company's remaining tax liability for the tax year after any credit under subsection (1) is determined, that portion of the credit that exceeds the remaining tax liability for the tax year shall not be refunded but may be carried forward to offset any tax liability in subsequent tax years that remains after any credit claimed under subsection (1) in that subsequent tax year is determined until used up. A credit may not be claimed under this subsection in a tax year in which 1 or more of the conditions set forth in subsection (4) apply.

(6) A company may apply for the credit under subsection (1) by submitting to the state board of assessors an application in a form prescribed by the state board of assessors at the time the annual report required under section 6 is due.

(7) A company may apply for the credit under subsection (5) by submitting to the state board of assessors an application in a form prescribed by the state board of assessors before May 1.

(8) As used in this section:

(a) "Eligible expenditures" means expenditures made by a company to purchase and install eligible equipment after December 31, 2001.

(b) "Eligible equipment" means property placed into service in this state for the first time with information carrying capability in excess of 200 kilobits per second in both directions.

**History:** Add. 2002, Act 50, Imd. Eff. Mar. 14, 2002