



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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GOVERNOR

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STATE TREASURER

DATE: December 17, 2019

TO: Assessors and Equalization Directors

FROM: State Tax Commission

SUBJECT: Public Acts 118 of 2019: Exemption for “Alternative Energy System” under MCL 211.9i

Public Act (PA) 118 of 2019 was effective November 15, 2019. PA 118 of 2019 provides that Alternative Energy Personal Property that is “an alternative energy system” under MCL 211.9i(3)(a)(i) is exempt from the collection of taxes. The exemption applies without regard to ownership of the alternative energy personal property if all requirements are met.

The “Alternative Energy System” referenced in MCL 211.9i(3)(a)(i) means that term as it is defined in the Michigan Next Energy Authority Act, PA 593 of 2002 (MCL 207.821 to MCL 207.827). MCL 207.822(c) defines “Alternative Energy System” as the small-scale generation or release of energy from 1 or any combination of the following types of energy systems:

- (i) A fuel cell energy system
- (ii) A photovoltaic energy system
- (iii) A solar-thermal energy system
- (iv) A wind energy system
- (v) A CHP energy system
- (vi) A microturbine energy system
- (vii) A miniturbine energy system
- (viii) A Stirling cycle energy system
- (ix) A battery cell energy system
- (x) A clean fuel energy system
- (xi) An electricity storage system
- (xii) A biomass energy system
- (xiii) A thermoelectric energy system

MCL 211.9i(2)(b)(i) provides an exemption from the collection of taxes if the “Alternative Energy System” has a generating capacity of not more than 150 kilowatts and is used solely to offset all or a portion of the commercial or industrial energy usage of the person upon whose real property the alternative energy personal property is located.

MCL 211.9i(b)(ii) provides an additional requirement for an “Alternative Energy System” installed **AFTER** November 15, 2019. For systems installed after this date, the “Alternative Energy System” must meet the requirements of (b)(i) above **AND** must have a true cash value that, when combined with the true cash value of all personal property exempt under MCL 211.9o as eligible personal property of the person claiming the exemption under this section or a related entity, equals less than \$80,000.00.