

HOUSE BILL No. 4872

June 4, 1997, Introduced by Rep. Harder and referred to the Committee on Appropriations.

A bill to amend 1927 PA 150, entitled

"An act to prescribe a privilege tax for the use of the public highways by owners and drivers of motor vehicles by imposing a specific tax upon the sale or use, within the state of Michigan, of motor fuel; to prescribe the manner and the time of paying this tax and the duties of officials and others respecting the payment and collection of this tax; to provide for the licensing of wholesale distributors, certain retail dealers, exporters, and suppliers as defined in this act; to fix a time when this tax and interest and penalties thereon become a lien upon the property of persons, firms, partnerships, associations, or corporations, subject to the payment of this tax; to provide for the enforcement of this lien; to permit the inspection and testing of petroleum products; to provide for certain exemptions and refunds and for the disposition of the proceeds of this tax; and to prescribe penalties for the violation of this act,"

by amending section 2 (MCL 207.102), as amended by 1992 PA 225.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. (1) A specific tax at a rate of cents per gallon
2 determined under subsection (2) ~~or (3)~~ is imposed on all
3 gasoline and diesel motor fuel sold or used in producing or
4 generating power for propelling motor vehicles used upon the

1 public roads and highways in this state. The tax shall be paid
2 at those times, in the manner, and by those persons specified in
3 this act. It is the intent of this act to impose a tax upon the
4 owners and drivers of motor vehicles using an internal combustion
5 type of engine upon the public roads and highways of this state
6 by requiring them to pay for the privilege of using the public
7 roads and highways of this state, in addition to the motor vehi-
8 cle license tax.

9 ~~(2) Beginning January 1, 1983, and ending December 31,~~
10 ~~1984, the tax rate imposed under subsection (1) for each 12-month~~
11 ~~period after December 31, 1982, shall be 11 cents per gallon or~~
12 ~~the tax rate calculated by the state commissioner of revenue as~~
13 ~~follows, with the final result of the calculation being rounded~~
14 ~~to the nearest 1/10 of a cent, whichever is the greater:~~

15 ~~(a) The latest available maintenance index figure for the~~
16 ~~most recent preceding calendar year for which a maintenance index~~
17 ~~figure is available shall be divided by the maintenance index~~
18 ~~figure for 1980.~~

19 ~~(b) The gallonage figure for the fiscal year ending~~
20 ~~September 30, 1980, shall be divided by the gallonage figure for~~
21 ~~the fiscal year preceding the 12-month period for which the tax~~
22 ~~is being calculated.~~

23 ~~(c) The quotient derived in subdivision (a) shall be multi-~~
24 ~~plied by the quotient derived in subdivision (b).~~

25 ~~(d) The product derived in subdivision (c) shall be multi-~~
26 ~~plied by 12 cents.~~

1 (2) ~~(3) Beginning January 1, 1985,~~ EXCEPT AS OTHERWISE
2 PROVIDED IN THIS SUBSECTION, the tax rate imposed under
3 subsection (1) ~~shall be the tax rate imposed for the 12-month~~
4 ~~period ending December 31, 1984~~ IS 15 CENTS PER GALLON. IF THE
5 FEDERAL GASOLINE TAX IS REDUCED BELOW 18.3 CENTS PER GALLON AND
6 FEDERAL FINANCIAL ALLOCATIONS TO THIS STATE FROM THE HIGHWAY
7 TRUST FUND AND FOR EXCLUSIVE PUBLIC MASS TRANSIT PURPOSES ARE
8 REDUCED OR ELIMINATED CORRESPONDINGLY, THE TAX RATE IMPOSED UNDER
9 SUBSECTION (1) SHALL BE INCREASED BY AN AMOUNT SO THAT THE COM-
10 BINED STATE AND FEDERAL TAX RATE PER GALLON EQUALS 36.3 CENTS PER
11 GALLON EFFECTIVE 15 DAYS AFTER THE DATE THE COMMISSIONER HAS MADE
12 THE NOTIFICATION REQUIRED BY SUBSECTION (3). IF THE FEDERAL TAX
13 ON DIESEL MOTOR FUEL IS REDUCED BELOW 24.3 CENTS PER GALLON AND
14 FEDERAL FINANCIAL ALLOCATIONS TO THIS STATE FROM THE HIGHWAY
15 TRUST FUND AND FOR EXCLUSIVE PUBLIC MASS TRANSIT PURPOSES ARE
16 REDUCED OR ELIMINATED CORRESPONDINGLY, THE TAX RATE IMPOSED UNDER
17 SUBSECTION (1) SHALL BE INCREASED BY AN AMOUNT SO THAT THE COM-
18 BINED STATE AND FEDERAL TAX RATE PER GALLON EQUALS 42.3 CENTS PER
19 GALLON EFFECTIVE 15 DAYS AFTER THE DATE THE COMMISSIONER HAS MADE
20 THE NOTIFICATION REQUIRED BY SUBSECTION (3).

21 ~~(4) Notwithstanding any other provision of this section, if~~
22 ~~the United States department of transportation, federal highway~~
23 ~~administration, materially alters the component parts of the~~
24 ~~highway maintenance and operation index described in subsection~~
25 ~~(8), the tax rate imposed under subsection (1) using the formula~~
26 ~~prescribed by subsection (2) shall not change from the tax rate~~

1 ~~imposed under subsection (1) immediately preceding the~~
2 ~~alteration.~~

3 ~~(5) Notwithstanding any other provision of this section, the~~
4 ~~tax rate imposed under subsection (1) for a 12-month period shall~~
5 ~~not be more than 2 cents greater than the tax rate imposed for~~
6 ~~the previous 12-month period.~~

7 ~~(3) —(6)—~~ The state commissioner of revenue shall notify
8 each supplier, wholesale distributor, and each retail dealer of
9 gasoline in this state of the tax rate imposed under subsection
10 (1) immediately after the tax rate is determined.

11 ~~(7) By June 30, 1993, the department shall submit a report~~
12 ~~to the senate finance and house taxation committees with its rec-~~
13 ~~ommendations on the most appropriate manner in which to tax vehi-~~
14 ~~cles propelled on the highways of this state by alternative~~
15 ~~fuels.~~

16 ~~(8) As used in this section:~~

17 ~~(a) "Gallonage figure" means the number of gallons of gaso-~~
18 ~~line, alcohol-gasoline fuel, liquefied petroleum gas, diesel~~
19 ~~motor fuel, and any other fuel taxed under this act during a des-~~
20 ~~ignated year.~~

21 ~~(b) "Maintenance index figure" means the maintenance index~~
22 ~~total for a designated year as reported in the highway mainte-~~
23 ~~nance and operation index published annually by the United States~~
24 ~~department of transportation, federal highway administration:~~
25 ~~cost trends--highway maintenance and operation.~~