

SENATE BILL No. 1362

May 29, 2002, Introduced by Senators STILLE and GOUGEON and referred to the Committee on Transportation and Tourism.

A bill to amend 2000 PA 403, entitled
"Motor fuel tax act,"
by amending section 30 (MCL 207.1030).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 30. (1) Motor fuel is exempt from the tax imposed by
2 section 8 and the tax shall not be collected by the supplier if
3 the motor fuel:

4 (a) Is dyed diesel fuel or dyed kerosene.

5 (b) Is gasoline or diesel fuel that is sold directly by the
6 supplier to the federal government, the state government, or a
7 political subdivision of the state for use in a motor vehicle
8 owned and operated or leased and operated by the federal or state
9 government or a political subdivision of the state.

10 (c) Is sold directly by the supplier to a nonprofit,
11 private, parochial, or denominational school, college, or

1 university and is used in a school bus owned and operated or
2 leased and operated by the educational institution that is used
3 in the transportation of students to and from the institution or
4 to and from school functions authorized by the administration of
5 the institution.

6 (d) Is fuel for which proof of export is available in the
7 form of a terminal-issued destination state shipping paper under
8 any of the following circumstances:

9 (i) The motor fuel is exported by a supplier who is licensed
10 in the destination state.

11 (ii) Until December 31, 2000, the motor fuel is sold by a
12 supplier to a licensed exporter for immediate export.

13 (iii) The motor fuel is sold by a supplier to another person
14 for immediate export to a state for which the destination state
15 fuel tax has been paid to the supplier who is licensed to remit
16 tax to that destination state.

17 (e) Is gasoline removed from a pipeline or marine vessel by
18 a taxable fuel registrant with the internal revenue service as a
19 fuel feedstock user.

20 (f) Is sold by a supplier to a licensed industrial process
21 reseller for resale to an industrial end user who uses the fuel
22 for an exempt purpose or that is sold by a licensed industrial
23 process reseller to an industrial end user who uses the fuel for
24 an exempt purpose.

25 (g) Is motor fuel that is sold for use in aircraft but only
26 if the purchaser paid the tax imposed on that fuel under the
27 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1

1 to 259.208, and the purchaser is registered under section 94 if
2 required to be registered under that section.

3 (H) IS DIESEL FUEL THAT HAS AT LEAST 20% BIODIESEL CONTENT.

4 (2) Motor fuel is exempt from the tax imposed by section 8
5 if it is acquired by an end user outside of this state and
6 brought into this state in the fuel supply tank of a motor vehi-
7 cle that is not a commercial motor vehicle, but only if the fuel
8 is retained within and consumed from that same fuel supply tank.

9 (3) A person who uses motor fuel for a taxable purpose where
10 the tax imposed by this act was not collected shall pay to the
11 department the tax imposed by section 8 and any applicable penal-
12 ties or interest. The payment shall be made on a form or in a
13 format prescribed by the department.

14 (4) AS USED IN THIS SECTION, "BIODIESEL" MEANS A DIESEL FUEL
15 SUBSTITUTE CONSISTING OF METHYL OR ETHYL ESTERS PRODUCED FROM THE
16 TRANSESTERIFICATION OF ANIMAL OR VEGETABLE FATS WITH METHANOL OR
17 ETHANOL.