

SENATE BILL No. 387

April 22, 2003, Introduced by Senators LELAND, JACOBS, BRATER and SCOTT and referred to the Committee on Transportation.

A bill to amend 2000 PA 403, entitled
"Motor fuel tax act,"
by amending sections 8 and 152 (MCL 207.1008 and 207.1152),
section 8 as amended by 2002 PA 668.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. (1) Subject to the exemptions provided for in this
2 act, tax is imposed on motor fuel imported into or sold,
3 delivered, or used in this state at the following rates:

4 (a) Nineteen cents per gallon on gasoline.

5 (b) Fifteen cents per gallon on diesel fuel **through September**
6 **30, 2003 and 19 cents per gallon beginning October 1, 2003.**

7 (2) Tax shall not be imposed under this section on motor fuel
8 that is in the bulk transfer/terminal system.

9 (3) The collection, payment, and remittance of the tax
10 imposed by this section shall be accomplished in the manner and

1 at the time provided for in this act.

2 (4) Tax is also imposed at the rate described in
3 subsection (1)(a) or (b) on net gallons of motor fuel, including
4 transmix, lost or unaccounted for, at each terminal in this
5 state. The tax shall be measured annually and shall apply to the
6 net gallons of motor fuel lost or unaccounted for that are in
7 excess of 1/2 of 1% of all net gallons of fuel removed from the
8 terminal across the rack or in bulk.

9 (5) It is the intent of this act:

10 (a) To require persons who operate a motor vehicle on the
11 public roads or highways of this state to pay for the privilege
12 of using those roads or highways.

13 (b) To impose on suppliers a requirement to collect and remit
14 the tax imposed by this act at the time of removal of motor fuel
15 unless otherwise specifically provided in this act.

16 (c) To allow persons who pay the tax imposed by this act and
17 who use the fuel for a nontaxable purpose to seek a refund or
18 claim a deduction as provided in this act.

19 (d) That the tax imposed by this act be collected and paid at
20 those times, in the manner, and by those persons specified in
21 this act.

22 Sec. 152. A tax at a rate of 15 cents per gallon **through**
23 **September 30, 2003 and 19 cents per gallon beginning October 1,**
24 **2003** is imposed upon all liquefied petroleum gas used in this
25 state. The tax shall be paid at the times and in the manner
26 specified in this section. The tax on liquefied petroleum gas
27 fuel sold or delivered either by placing into a permanently

1 attached fuel supply tank on a motor vehicle, or exchanging or
2 replacing the fuel supply tank of a motor vehicle, shall be
3 collected by the LPG dealer from the purchaser and paid over
4 quarterly to the department as provided in this act. Liquefied
5 petroleum gas fuel delivered in this state into the storage
6 facility of any person when the exclusive purpose of the storage
7 facility is for resale or use in a motor vehicle on the public
8 roads or highways of this state, shall, upon delivery to storage
9 facility, be subject to tax. An LPG dealer shall, upon delivery
10 of the liquefied petroleum gas, collect and remit the tax to the
11 department as provided in this act. A person shall not operate a
12 motor vehicle on the public roads or highways of this state from
13 the cargo containers of a truck, trailer, or semitrailer with
14 liquefied petroleum gas in vapor or liquid form, except when the
15 fuel in the liquid or vapor phase is withdrawn from the cargo
16 container for use in motor vehicles through a permanently
17 installed and approved metering device. The tax on liquefied
18 petroleum gas withdrawn from a cargo container through a
19 permanently installed and approved metering device shall apply in
20 accordance with measured gallons as reflected by meter reading,
21 and shall be paid quarterly by the LPG dealer to the department
22 as provided in this act.