

SUBSTITUTE FOR
HOUSE BILL NO. 5751

A bill to amend 2000 PA 403, entitled
"Motor fuel tax act,"
by amending section 8 (MCL 207.1008), 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, delivered,
3 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.
- 6 (2) Tax shall not be imposed under this section on motor fuel
7 that is in the bulk transfer/terminal system.
- 8 (3) The collection, payment, and remittance of the tax imposed

1 by this section shall be accomplished in the manner and at the time
2 provided for in this act.

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

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

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

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

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

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

23 (6) NOTWITHSTANDING ANYTHING IN THIS ACT TO THE CONTRARY, A
24 PERSON WHO IMPORTS INTO THIS STATE OR WITHDRAWS DIESEL FUEL THAT
25 CONTAINS AT LEAST 5% BIODIESEL OR GASOLINE THAT IS AT LEAST 70%
26 ETHANOL FROM A RACK IS A SUPPLIER FOR PURPOSES OF THIS ACT AND IS
27 REQUIRED TO OBTAIN A LICENSE UNDER THIS ACT. THE REQUIREMENT OF

1 THIS SUBSECTION THAT A PERSON OBTAIN A SUPPLIER LICENSE IS SEPARATE
2 FROM THE SUPPLIER LICENSE QUALIFICATION REQUIREMENTS OF THE OTHER
3 SECTIONS OF THIS ACT. HOWEVER, A PERSON LICENSED UNDER THIS
4 SUBSECTION SHALL COMPLY WITH ALL SUPPLIER DUTIES AND REPORTING
5 REQUIREMENTS IN THIS ACT. FACILITIES THAT MANUFACTURE MOTOR FUEL
6 UNDER THIS SECTION AND DISBURSE THE MOTOR FUEL FROM A RACK QUALIFY
7 AS A TERMINAL AND SHALL OBTAIN A TERMINAL OPERATOR LICENSE AND
8 COMPLY WITH ALL RESPONSIBILITIES AND REPORTING REQUIREMENTS
9 APPLICABLE TO TERMINAL OPERATORS UNDER THIS ACT.

10 (7) A LICENSED SUPPLIER MAY CLAIM A DEDUCTION ON ITS SUPPLIER
11 RETURN FOR TAX PAID UNDER THIS ACT FOR DIESEL FUEL THAT CONTAINS AT
12 LEAST 5% BIODIESEL IF THE PERSON IS A SUPPLIER OF BIODIESEL OR
13 GASOLINE THAT IS AT LEAST 70% ETHANOL. THE DEDUCTION SHALL ONLY BE
14 CLAIMED BY THE LICENSED SUPPLIER WITHDRAWING THE FUEL FROM THE RACK
15 OR IMPORTING THE FUEL AS INDICATED BY THE BILL OF LADING FOR LOADS
16 WITH A DESTINATION IN THIS STATE OTHER THAN A TERMINAL. THE
17 DEDUCTION FOR BIODIESEL IS 3 CENTS PER GALLON. THE DEDUCTION FOR
18 GASOLINE THAT CONTAINS AT LEAST 70% ETHANOL IS 7 CENTS PER GALLON.

19 (8) BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
20 ADDED THIS SUBSECTION, THE STATE TREASURER SHALL AT A MINIMUM
21 ANNUALLY DETERMINE THE DIFFERENCE BETWEEN THE AMOUNT OF MOTOR FUEL
22 TAX COLLECTED AND THE AMOUNT OF MOTOR FUEL TAX THAT WOULD HAVE BEEN
23 COLLECTED BUT FOR THE REFUND RATES PURSUANT TO SUBSECTION (7) AND
24 BIODIESEL FUEL PURSUANT TO SUBSECTION (7). SUBSECTION (7) IS NO
25 LONGER EFFECTIVE THE EARLIER OF 10 YEARS AFTER THE EFFECTIVE DATE
26 OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION OR THE DATE THAT
27 THE STATE TREASURER CERTIFIES THAT THE TOTAL CUMULATIVE RATE

1 DIFFERENTIAL FROM THE EFFECTIVE DATE OF THIS AMENDATORY ACT IS
2 GREATER THAN \$2,500,000.00. THE LEGISLATURE SHALL APPROPRIATE THE
3 AMOUNT DETERMINED AS THE RATE DIFFERENTIAL BY THE STATE TREASURER
4 ANNUALLY WITHIN 60 DAYS OF THE CERTIFICATION TO THE MICHIGAN
5 TRANSPORTATION FUND CREATED IN 1951 PA 51, MCL 247.651 TO 247.675.
6 SUBSECTION (7) IS NO LONGER EFFECTIVE IF THE LEGISLATURE DOES NOT
7 ANNUALLY APPROPRIATE THE AMOUNT DETERMINED AS THE RATE DIFFERENTIAL
8 BY THE STATE TREASURER WITHIN 60 DAYS OF THE CERTIFICATION REQUIRED
9 UNDER THIS SUBSECTION.

10 (9) AS USED IN THIS SECTION:

11 (A) "BIODIESEL" MEANS THAT TERM AS DEFINED IN SECTION 2 OF THE
12 MOTOR FUELS QUALITY ACT, 1984 PA 44, MCL 290.642.

13 (B) "ETHANOL" MEANS DENATURED FUEL ETHANOL THAT IS SUITABLE
14 FOR USE IN A SPARK-IGNITION ENGINE WHEN MIXED WITH GASOLINE SO LONG
15 AS THE MIXTURE MEETS THE AMERICAN SOCIETY FOR TESTING AND MATERIALS
16 D-5798 SPECIFICATIONS.

17 Enacting section 1. This amendatory act does not take effect
18 unless House Bill No. 5755 of the 93rd Legislature is enacted into
19 law.