

HOUSE BILL NO. 6502

December 02, 2020, Introduced by Rep. Markkanen and referred to the Committee on Transportation.

A bill to amend 2004 PA 175, entitled
"Streamlined sales and use tax revenue equalization act,"
by amending section 5 (MCL 205.175), as amended by 2015 PA 177.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5. (1) There is levied upon and there shall be collected
2 from every person in this state who is an interstate motor carrier
3 a specific tax for the privilege of using or consuming motor fuel
4 and alternative fuel in a qualified commercial motor vehicle in

1 this state.

2 (2) For motor fuel upon which the tax imposed under subsection
3 (1) applies, the tax shall be imposed at a cents-per-gallon rate
4 equal to 6% of the statewide average retail price of a gallon of
5 self-serve undyed No. 2 ultra-low sulfur diesel fuel or self-serve
6 unleaded regular gasoline, as applicable, rounded down to the
7 nearest 1/10 of a cent as determined and certified quarterly by the
8 department. This tax on motor fuel used by interstate motor
9 carriers in a qualified commercial motor vehicle shall be collected
10 under the international fuel tax agreement. An interstate motor
11 carrier is entitled to a credit for 6% of the price of motor fuel
12 purchased in this state and used in a qualified commercial motor
13 vehicle. This credit shall be claimed on the returns filed under
14 the international fuel tax agreement.

15 (3) For alternative fuel upon which the tax imposed under
16 subsection (1) applies, the tax shall be imposed at a cents-per-
17 gallon rate, or cents-per-gallon equivalent rate, as applicable,
18 equal to 6% of the average retail price of a gallon or gallon
19 equivalent, as applicable, of the applicable alternative fuel
20 rounded down to the nearest 1/10 of a cent as determined and
21 certified quarterly by the department. For purposes of this
22 subsection, the average retail price is to be based on the
23 statewide average price of the particular alternative fuel, as
24 determined by the department, unless the department determines that
25 a statewide average is not readily available. If a statewide
26 average is not readily available, the department may use available
27 regional or nationwide average retail pricing information, or when
28 regional or nationwide pricing information cannot be readily
29 obtained, may use the average retail price applicable to gasoline

1 under subsection (2) for compressed natural gas or the average
2 retail price applicable to diesel fuel under subsection (2) for all
3 other types of alternative fuel, with adjustments as the department
4 determines are appropriate to convert gasoline or diesel fuel
5 prices to prices for alternative fuel.

6 (4) The tax on alternative fuel under subsection (3) used by
7 interstate motor carriers in a qualified commercial motor vehicle
8 shall be collected under the international fuel tax agreement. An
9 interstate motor carrier is entitled to a credit for 6% of the
10 price of alternative fuel purchased in this state and used in a
11 qualified commercial motor vehicle. This credit shall be claimed on
12 the returns filed under the international fuel tax agreement.

13 **(5) This section does not apply to an interstate motor carrier**
14 **to the extent that the interstate motor carrier is exempt from the**
15 **requirements of this section under a fuel tax reciprocity agreement**
16 **as that term is defined in section 1 of 1960 PA 124, MCL 3.161.**

17 Enacting section 1. This amendatory act does not take effect
18 unless Senate Bill No. ____ or House Bill No. 6500 (request no.
19 07319'20) of the 100th Legislature is enacted into law.