

MOTOR FUEL TAX ACT (EXCERPT)
Act 403 of 2000

207.1010 Increase in tax rate; report.

Sec. 10. (1) If the tax rate imposed by section 8 is increased, the increase in the tax rate shall also apply to both of the following:

- (a) Previously-taxed motor fuel in excess of 3,000 gallons held in storage by an end user.
- (b) Previously-taxed motor fuel held for sale that is in excess of dead storage.

(2) The increased rate of tax applies to all nonexempt motor fuel held by a person outside of the bulk transfer/terminal system in this state in excess of 3,000 gallons, to the extent the inventory was not previously subject to the tax rate imposed before the effective date of this section. However, tax is not payable on motor fuel that is either dyed diesel fuel or motor fuel held by the federal or state government, or a political subdivision of this state.

(3) A person in possession of motor fuel subject to subsection (1) shall do all of the following:

(a) Take an inventory at the close of business on the last day before the effective date of the tax increase to determine the gallons of motor fuel in storage for purposes of determining the tax due on the inventory.

(b) Deduct the number of gallons of motor fuel in dead storage.

(c) Deduct the number of gallons of dyed diesel fuel.

(d) Report the gallons of motor fuel listed in subdivisions (a) to (c) on a form or in a format provided by the department.

(4) The amount of the tax due under subsection (3) is equal to the increase in the tax rate times the gallons of motor fuel in storage as determined under subsection (1).

(5) The report shall be filed and the tax paid within 20 days after the last day of the month that the increase in the tax rate took effect.

History: 2000, Act 403, Eff. Apr. 1, 2001.