



HOUSE BILL No. 4454

February 22, 1995, Introduced by Reps. Dalman, Horton, Green, DeLange, Palamara, Profit, Porreca, Voorhees, Ryan, Bobier, Jaye and Baade and referred to the Committee on Tax Policy.

A bill to amend section 22 of Act No. 150 of the Public Acts of 1927, entitled as amended

"An act to prescribe a privilege tax for the use of the public highways by owners and drivers of motor vehicles by imposing a specific tax upon the sale or use, within the state of Michigan, of motor fuel; to prescribe the manner and the time of paying this tax and the duties of officials and others respecting the payment and collection of this tax; to provide for the licensing of wholesale distributors, certain retail dealers, exporters, and suppliers as defined in this act; to fix a time when this tax and interest and penalties thereon become a lien upon the property of persons, firms, partnerships, associations, or corporations, subject to the payment of this tax; to provide for the enforcement of this lien; to permit the inspection and testing of petroleum products; to provide for certain exemptions and refunds and for the disposition of the proceeds of this tax; and to prescribe penalties for the violation of this act,"

as amended by Act No. 225 of the Public Acts of 1992, being section 207.122 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 22 of Act No. 150 of the Public Acts of
2 1927, as amended by Act No. 225 of the Public Acts of 1992, being

1 section 207.122 of the Michigan Compiled Laws, is amended to read
2 as follows:

3 Sec. 22. (1) There shall be allowed a discount of 6 cents
4 per gallon of the tax imposed on diesel motor fuel pursuant to
5 section 2(1) if the diesel motor fuel is delivered into the fuel
6 supply tanks of a commercial motor vehicle licensed under the
7 motor carrier fuel tax act, Act No. 119 of the Public Acts of
8 1980, being sections 207.211 to 207.235 of the Michigan Compiled
9 Laws.

10 (2) The tax on diesel motor fuel sold and delivered in this
11 state by the retailer into the fuel supply tanks of motor vehi-
12 cles shall be collected by the supplier and paid over monthly to
13 the department except that the retail dealer shall pay over
14 monthly to the department 6 cents of the tax imposed under
15 section 2 for each gallon sold for delivery into or supplied into
16 the fuel supply tanks of a motor vehicle that is not a commercial
17 motor vehicle licensed under Act No. 119 of the Public Acts of
18 1980 and eligible for discount allowed under subsection (1).
19 Each diesel motor fuel retailer shall invoice sales of diesel
20 motor fuel as prescribed by the department. Persons operating
21 passenger vehicles of a capacity of 10 or more under a certifi-
22 cate of public convenience and necessity issued by the Michigan
23 public service commission, or under a municipal franchise,
24 license, permit, agreement, or grant, respectively, and operating
25 over regularly traveled routes expressly provided for in the cer-
26 tificate of convenience and necessity, or municipal license,
27 permit, agreement, or grant, shall be entitled to a refund of the

1 tax paid in the manner provided in section 12. Refunds provided
2 for under this section to a state certificated operator of an
3 intercity motor bus, shall apply only to those gallons of diesel
4 motor fuel producing mileage traveled by each intercity motor bus
5 over regular routes or on charter trips or portions of charter
6 trips within this state. The tax shall apply to diesel motor
7 fuel delivered in this state into the storage of a user or
8 acquired by a user in any manner.

9 (3) An end use purchaser who has paid the tax on diesel
10 motor fuel may claim a refund of the tax paid on diesel motor
11 fuel used by the purchaser while operating a motor vehicle at a
12 plant or jobsite while not on the public roads and highways of
13 this state. The department may determine the formulae, methodol-
14 ogy, and documentation necessary to implement this subsection.

15 (4) A tax is not imposed under this act, nor shall a tax be
16 collected, on diesel motor fuel used in motor vehicles owned by
17 or leased and operated by a political subdivision of this state,
18 or motor vehicles owned and operated by this state or the federal
19 government.

20 (5) THE PURCHASER OF DIESEL MOTOR FUEL FOR USE IN SCHOOL
21 BUSES OWNED AND OPERATED BY NONPROFIT PRIVATE, PAROCHIAL, OR
22 DENOMINATIONAL SCHOOLS, COLLEGES, AND UNIVERSITIES AND USED IN
23 THE TRANSPORTATION OF STUDENTS TO AND FROM SCHOOL, AND TO AND
24 FROM SCHOOL FUNCTIONS AUTHORIZED BY THE ADMINISTRATION OF THE
25 ELIGIBLE INSTITUTION, SHALL BE ENTITLED TO A REFUND OF THE TAX
26 PAID IN THE MANNER PROVIDED IN SECTION 12. THIS SUBSECTION SHALL

1 APPLY TO PURCHASES MADE AFTER DECEMBER 31, 1994 FOR WHICH THE
2 DOCUMENTATION REQUIRED BY SECTION 12 IS FURNISHED.

3 (6) ~~(5)~~ A tax is not imposed under this act, nor shall a
4 tax be collected by a supplier of diesel motor fuel if the fuel
5 is purchased by an end user for any of the following purposes or
6 for resale to an end user for any of the following purposes:

7 (a) For off-highway use.

8 (b) For use as a home heating oil.

9 (c) For export in compliance with section 3.

10 (d) For use as other than motor fuel.

11 (e) For use in trains.