

HOUSE BILL No. 5735

February 21, 2002, Introduced by Reps. Hart, Gilbert and Stallworth and referred to the Committee on Transportation.

A bill to amend 2000 PA 403, entitled "Motor fuel tax act," by amending sections 8, 92, and 152 (MCL 207.1008, 207.1092, and 207.1152); and to repeal acts and parts of acts.

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, deliv-
3 ered, or used in this state at the following rates:

4 (a) Nineteen cents per gallon on gasoline.

5 (b) Fifteen cents per gallon THROUGH SEPTEMBER 30, 2002, AND
6 19 CENTS PER GALLON BEGINNING OCTOBER 1, 2002 on diesel fuel.

7 ~~(2) The tax on diesel fuel shall be collected or paid in~~
8 ~~the following manner:~~

9 ~~(a) Subject to subsection (3), 9 cents of tax per gallon~~
10 ~~shall be collected by all of the following:~~

1 ~~(i) A person who sells or delivers diesel fuel to a licensed~~
2 ~~supplier, licensed importer, licensed fuel vendor, licensed~~
3 ~~retail diesel dealer, or licensed marine retail dealer.~~

4 ~~(ii) A person who delivers the fuel into the bulk storage~~
5 ~~tank of a motor carrier licensed under the motor carrier fuel tax~~
6 ~~act, 1980 PA 119, MCL 207.211 to 207.234, or into the fuel supply~~
7 ~~tank of a qualified commercial motor vehicle issued a decal under~~
8 ~~the motor carrier fuel tax act, 1980 PA 119, MCL 207.211 to~~
9 ~~207.234.~~

10 ~~(b) An additional 6 cents of tax per gallon shall be col-~~
11 ~~lected and remitted to the department by any person who collected~~
12 ~~or paid 9 cents per gallon of tax on diesel fuel under subdivi-~~
13 ~~sion (a) and who does any of the following:~~

14 ~~(i) Uses the diesel fuel in a motor vehicle that is not~~
15 ~~issued a decal under the motor carrier fuel tax act.~~

16 ~~(ii) Sells or delivers diesel fuel into the fuel supply tank~~
17 ~~of a motor vehicle that is not licensed under the motor carrier~~
18 ~~fuel tax act.~~

19 ~~(iii) Delivers undyed diesel fuel into a storage tank of a~~
20 ~~person who is neither licensed under the motor carrier fuel tax~~
21 ~~act nor licensed under this act.~~

22 ~~(c) Fifteen cents of tax per gallon shall be collected and~~
23 ~~remitted by any person importing, selling, distributing, deliver-~~
24 ~~ing, or using diesel fuel unless otherwise provided for in subdivi-~~
25 ~~vision (a) or (b).~~

26 ~~(2) -(3)~~ Tax shall not be imposed under this section on
27 motor fuel that is in the bulk transfer/terminal system.

1 (3) ~~-(4)-~~ The collection, payment, and remittance of the tax
2 imposed by this section shall be accomplished in the manner and
3 at the time provided for in this act.

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

11 (5) ~~-(6)-~~ It is the intent of this act:

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

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

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

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

24 Sec. 92. (1) A person shall not deliver diesel fuel into
25 the fuel supply tank of an end user's motor vehicle or make a
26 bulk delivery of diesel fuel to an unlicensed end user unless
27 licensed as a retail MARINE diesel dealer under this act.

1 (2) The fee for a retail MARINE diesel dealer license is
2 \$50.00.

3 (3) A retail MARINE diesel dealer shall list the amount of
4 tax and any applicable tax discounts for motor carriers on diesel
5 fuel as separate line items on all invoices or billings to end
6 users.

7 (4) A retail MARINE diesel dealer shall file with the
8 department on forms or in a format prescribed by the department a
9 quarterly report containing the information the department
10 requires as reasonably necessary for the department to determine
11 the amount of diesel fuel tax due. A licensed retail MARINE
12 diesel dealer shall not be required to report the amount of dyed
13 diesel fuel purchased or sold until 2 years after the effective
14 date of this act. The department may waive the requirements in
15 this subsection if the report is not needed to administer this
16 act.

17 (5) The report shall be filed and the tax paid to the
18 department on or before the twentieth day of the month following
19 the close of the reporting period.

20 (6) The department may waive the requirement for filing a
21 report under this section.

22 Sec. 152. A tax at a rate of 15 cents per gallon THROUGH
23 SEPTEMBER 30, 2002, AND 19 CENTS PER GALLON BEGINNING OCTOBER 1,
24 2002 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 col-
3 lected by the LPG dealer from the purchaser and paid over quar-
4 terly 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 per-
19 manently 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.

23 Enacting section 1. Section 91 of the motor fuel tax act,
24 2000 PA 403, MCL 207.1091, is repealed.

25 Enacting section 2. This amendatory act does not take
26 effect unless all of the following bills of the 91st Legislature
27 are enacted into law:

1 (a) Senate Bill No. _____ or House Bill No. 5734 (request
2 no. 02672'01 *).

3 (b) Senate Bill No. _____ or House Bill No. 5736 (request
4 no. 04929'01).

5 (c) Senate Bill No. _____ or House Bill No. 5733 (request
6 no. 05318'01 *).