

**SUBSTITUTE FOR  
HOUSE BILL NO. 5039**

A bill to amend 2000 PA 403, entitled  
"Motor fuel tax act,"  
by amending section 30 (MCL 207.1030), as amended by 2008 PA 26.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 30. (1) Motor fuel is exempt from the tax imposed by  
2 section 8 and the tax shall not be collected by the supplier if the  
3 motor fuel:

4           (a) Is dyed diesel fuel or dyed kerosene.

5           (b) Is gasoline or diesel fuel that is sold directly by the  
6 supplier to the federal government, the state government, or a  
7 political subdivision of the state for use in a motor vehicle owned  
8 and operated or leased and operated by the federal or state  
9 government or a political subdivision of the state.

10           (c) Is sold directly by the supplier to a nonprofit, private,

1 parochial, or denominational school, college, or university and is  
2 used in a school bus owned and operated or leased and operated by  
3 the educational institution that is used in the transportation of  
4 students to and from the institution or to and from school  
5 functions authorized by the administration of the institution.

6 (d) Is fuel for which proof of export is available in the form  
7 of a terminal-issued destination state shipping paper under any of  
8 the following circumstances:

9 (i) The motor fuel is exported by a supplier who is licensed  
10 in the destination state.

11 (ii) Until December 31, 2000, the motor fuel is sold by a  
12 supplier to a licensed exporter for immediate export.

13 (iii) The motor fuel is sold by a supplier to another person  
14 for immediate export to a state for which the destination state  
15 fuel tax has been paid to the supplier who is licensed to remit tax  
16 to that destination state.

17 (e) Is gasoline removed from a pipeline or marine vessel by a  
18 taxable fuel registrant with the internal revenue service as a fuel  
19 feedstock user.

20 (f) Is motor fuel that is sold for use in aircraft but only if  
21 the purchaser paid the tax imposed on that fuel under the  
22 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1  
23 to 259.208, and the purchaser is registered under section 94 if  
24 required to be registered under that section.

25 (g) Is aviation fuel upon which tax is not due under section  
26 203 of the aeronautics code of the state of Michigan, 1945 PA 327,  
27 MCL 259.203, and the purchaser has certified in writing to the

1 seller that the aviation fuel is being purchased solely for the  
2 purpose of formulating leaded racing fuel as that term is defined  
3 in section 4. Aviation fuel qualifying under this subsection shall  
4 be identified on shipping papers and invoices as "aviation fuel  
5 exempt for LRF".

6 **(H) IS NUMBER 5 FUEL OIL, NUMBER 6 FUEL OIL, OR FUEL OIL**  
7 **COMMONLY SOLD OR REFERRED TO AS BUNKER C OR NAVY SPECIAL, AS**  
8 **DETERMINED BY THE DEPARTMENT.**

9 (2) Motor fuel is exempt from the tax imposed by section 8 if  
10 it is acquired by an end user outside of this state and brought  
11 into this state in the fuel supply tank of a motor vehicle that is  
12 not a commercial motor vehicle, but only if the fuel is retained  
13 within and consumed from that same fuel supply tank.

14 (3) A person who uses motor fuel for a taxable purpose where  
15 the tax imposed by this act was not collected shall pay to the  
16 department the tax imposed by section 8 and any applicable  
17 penalties or interest. The payment shall be made on a form or in a  
18 format prescribed by the department.