

HOUSE BILL No. 5039

September 28, 2017, Introduced by Rep. Wentworth and referred to the Committee on Tax Policy.

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,
11 parochial, or denominational school, college, or university and is

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

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

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

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

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

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

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

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

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

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

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

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