

SENATE BILL NO. 974

March 17, 2022, Introduced by Senator LAUWERS and referred to the Committee on Transportation and Infrastructure.

A bill to amend 2004 PA 175, entitled "Streamlined sales and use tax revenue equalization act," by amending sections 3 and 5 (MCL 205.173 and 205.175), as amended by 2015 PA 177.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3. As used in this act:
- 2 (a) "Alternative fuel" means that term as defined in section
- 3 151 of the motor fuel tax act, ~~2000 PA 403,~~ MCL 207.1151.
- 4 (b) "Department" means the department of treasury.

1 (c) "Diesel fuel" means that term as defined in section 2 of
2 the motor fuel tax act, ~~2000 PA 403,~~ MCL 207.1002.

3 (d) "Gallon equivalent" means that term as defined in section
4 151 of the motor fuel tax act, ~~2000 PA 403,~~ MCL 207.1151.

5 (e) "Gasoline" means that term as defined in section 3 of the
6 motor fuel tax act, ~~2000 PA 403,~~ MCL 207.1003.

7 (f) "Interstate motor carrier" means a person who operates or
8 causes to be operated a qualified commercial motor vehicle on a
9 public road or highway in this state and at least 1 other state or
10 Canadian province.

11 (g) "Motor fuel" means diesel fuel and gasoline.

12 (h) **"Motor fuel tax act" means the motor fuel tax act, 2000 PA**
13 **403, MCL 207.1001 to 207.1170.**

14 (i) ~~(h)~~ "Person" means an individual, firm, partnership, joint
15 venture, association, social club fraternal organization, municipal
16 or private corporation whether or not organized for profit,
17 company, limited liability company, estate, trust receiver,
18 trustee, syndicate, the United States, this state, country, or any
19 other group or combination acting as a unit, and the plural as well
20 as the singular number, unless the intention to give a more limited
21 meaning is disclosed by the context.

22 (j) ~~(i)~~ "Qualified commercial motor vehicle" means that term
23 as defined in section 1 of the motor carrier fuel tax act, 1980 PA
24 119, MCL 207.211.

25 (k) ~~(j)~~ "Sales tax" means the tax levied under the general
26 sales tax act, 1933 PA 167, MCL 205.51 to 205.78.

27 (l) ~~(k)~~ "Tax" includes all taxes, interest, or penalties levied
28 under this act.

29 (m) ~~(l)~~ "Taxpayer" means a person subject to tax under this

1 act.

2 (n) ~~(m)~~ "Use tax" means the tax levied under the use tax act,
3 1937 PA 94, MCL 205.91 to 205.111.

4 Sec. 5. (1) ~~There~~ **Until the effective date of the amendatory**
5 **act that added section 4ii of the use tax act, 1937 PA 94, MCL**
6 **205.94ii, there** is levied upon and there shall be collected from
7 every person in this state who is an interstate motor carrier a
8 specific tax for the privilege of using or consuming motor fuel and
9 alternative fuel in a qualified commercial motor vehicle in this
10 state.

11 (2) For motor fuel upon which the tax imposed under subsection
12 (1) applies, the tax shall be imposed at a cents-per-gallon rate
13 equal to 6% of the statewide average retail price of a gallon of
14 self-serve undyed No. 2 ultra-low sulfur diesel fuel or self-serve
15 unleaded regular gasoline, as applicable, rounded down to the
16 nearest 1/10 of a cent as determined and certified quarterly by the
17 department. This tax on motor fuel used by interstate motor
18 carriers in a qualified commercial motor vehicle ~~shall~~ **must** be
19 collected under the international fuel tax agreement. An interstate
20 motor carrier is entitled to a credit for 6% of the price of motor
21 fuel purchased in this state **before the effective date of the**
22 **amendatory act that added section 4ii of the use tax act, 1937 PA**
23 **94, MCL 205.94ii,** and used in a qualified commercial motor vehicle.
24 This credit ~~shall~~ **must** be claimed on the returns filed under the
25 international fuel tax agreement.

26 (3) For alternative fuel upon which the tax imposed under
27 subsection (1) applies, the tax shall be imposed at a cents-per-
28 gallon rate, or cents-per-gallon equivalent rate, as applicable,
29 equal to 6% of the average retail price of a gallon or gallon

1 equivalent, as applicable, of the applicable alternative fuel
2 rounded down to the nearest 1/10 of a cent as determined and
3 certified quarterly by the department. For purposes of this
4 subsection, the average retail price is to be based on the
5 statewide average price of the particular alternative fuel, as
6 determined by the department, unless the department determines that
7 a statewide average is not readily available. If a statewide
8 average is not readily available, the department may use available
9 regional or nationwide average retail pricing information, or when
10 regional or nationwide pricing information cannot be readily
11 obtained, may use the average retail price applicable to gasoline
12 under subsection (2) for compressed natural gas or the average
13 retail price applicable to diesel fuel under subsection (2) for all
14 other types of alternative fuel, with adjustments as the department
15 determines are appropriate to convert gasoline or diesel fuel
16 prices to prices for alternative fuel.

17 (4) The tax on alternative fuel under subsection (3) used by
18 interstate motor carriers in a qualified commercial motor vehicle
19 ~~shall~~**must** be collected under the international fuel tax agreement.
20 An interstate motor carrier is entitled to a credit for 6% of the
21 price of alternative fuel purchased in this state **before the**
22 **effective date of the amendatory act that added section 4ii of the**
23 **use tax act, 1937 PA 94, MCL 205.94ii,** and used in a qualified
24 commercial motor vehicle. This credit ~~shall~~**must** be claimed on the
25 returns filed under the international fuel tax agreement.

26 Enacting section 1. This amendatory act does not take effect
27 unless all of the following bills of the 101st Legislature are
28 enacted into law:

29 (a) Senate Bill No. 972.

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(b) Senate Bill No. 973.