

HOUSE BILL NO. 6195

November 26, 2024, Introduced by Rep. Kunse and referred to the Committee on Government Operations.

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), section 3 as amended by 2015 PA 177 and section 5 as amended by 2022 PA 24.

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.

5 (c) "Diesel fuel" means that term as defined in section 2 of

1 the motor fuel tax act, ~~2000 PA 403~~, MCL 207.1002.

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

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

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

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

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

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

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

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

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

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

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

3 Sec. 5. (1) ~~There~~ **Through September 30, 2025, there** is levied
4 upon and there shall be collected from every person in this state
5 who is an interstate motor carrier a specific tax for the privilege
6 of using or consuming motor fuel and alternative fuel in a
7 qualified commercial motor vehicle in this state.

8 (2) For motor fuel upon which the tax imposed under subsection
9 (1) applies, the tax shall be imposed at a cents-per-gallon rate
10 equal to 6% of the statewide average retail price of a gallon of
11 self-serve undyed No. 2 ultra-low sulfur diesel fuel or self-serve
12 unleaded regular gasoline, as applicable, rounded down to the
13 nearest 1/10 of a cent as determined and certified quarterly by the
14 department. This tax on motor fuel used by interstate motor
15 carriers in a qualified commercial motor vehicle ~~shall~~ **must** be
16 collected under the international fuel tax agreement. An interstate
17 motor carrier is entitled to a credit for 6% of the price of motor
18 fuel purchased in this state **before October 1, 2025**, and used in a
19 qualified commercial motor vehicle. This credit ~~shall~~ **must** be
20 claimed on the returns filed under the international fuel tax
21 agreement.

22 (3) For alternative fuel upon which the tax imposed under
23 subsection (1) applies, the tax shall be imposed at a cents-per-
24 gallon rate, or cents-per-gallon equivalent rate, as applicable,
25 equal to 6% of the average retail price of a gallon or gallon
26 equivalent, as applicable, of the applicable alternative fuel
27 rounded down to the nearest 1/10 of a cent as determined and
28 certified quarterly by the department. For purposes of this
29 subsection, the average retail price is to be based on the

1 statewide average price of the particular alternative fuel, as
2 determined by the department, unless the department determines that
3 a statewide average is not readily available. If a statewide
4 average is not readily available, the department may use available
5 regional or nationwide average retail pricing information, or when
6 regional or nationwide pricing information cannot be readily
7 obtained, may use the average retail price applicable to gasoline
8 under subsection (2) for compressed natural gas or the average
9 retail price applicable to diesel fuel under subsection (2) for all
10 other types of alternative fuel, with adjustments as the department
11 determines are appropriate to convert gasoline or diesel fuel
12 prices to prices for alternative fuel.

13 (4) The tax on alternative fuel under subsection (3) used by
14 interstate motor carriers in a qualified commercial motor vehicle
15 ~~shall~~**must** be collected under the international fuel tax agreement.
16 An interstate motor carrier is entitled to a credit for 6% of the
17 price of alternative fuel purchased in this state **before October 1,**
18 **2025,** and used in a qualified commercial motor vehicle. This credit
19 ~~shall~~**must** be claimed on the returns filed under the international
20 fuel tax agreement.

21 (5) This section does not apply to an interstate motor carrier
22 to the extent that the interstate motor carrier is exempt from the
23 requirements of this section under a qualified fuel tax reciprocity
24 agreement as that term is defined in section 3 of 1960 PA 124, MCL
25 3.163.

26 Enacting section 1. This amendatory act does not take effect
27 unless all of the following bills of the 102nd Legislature are
28 enacted into law:

29 (a) Senate Bill No. ____ or House Bill No. 6194 (request no.

1 06253'24).

2 (b) Senate Bill No. _____ or House Bill No. 6196 (request no.

3 06254'24).

4 (c) Senate Bill No. _____ or House Bill No. 6197 (request no.

5 06255'24).