

HOUSE BILL NO. 6258

December 05, 2024, Introduced by Reps. Farhat and Martus and referred to the Committee on Transportation, Mobility and Infrastructure.

A bill to amend 2000 PA 403, entitled
"Motor fuel tax act,"
by amending section 8 (MCL 207.1008), as amended by 2015 PA 176.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. (1) Except as otherwise provided in this act and
2 subject to the exemptions provided for in this act, tax is imposed
3 on motor fuel imported into or sold, delivered, or used in this
4 state at the following rates:

5 (a) Except as otherwise provided in subdivision (c), as
6 follows:

7 (i) Through December 31, 2016, 19 cents per gallon on gasoline.

1 (ii) Beginning January 1, 2017, 26.3 cents per gallon on
2 gasoline.

3 **(iii) Beginning on the effective date of the amendatory act that**
4 **added this subdivision, in addition to the tax levied in**
5 **subparagraph (ii) as adjusted under subdivision (c), an additional**
6 **19 cents per gallon on gasoline.**

7 (b) Except as otherwise provided in subdivision (c), as
8 follows:

9 (i) Through December 31, 2016, 15 cents per gallon on diesel
10 fuel.

11 (ii) Beginning January 1, 2017, 26.3 cents per gallon on diesel
12 fuel.

13 **(iii) Beginning on the effective date of the amendatory act that**
14 **added this subdivision, in addition to the tax levied in**
15 **subparagraph (ii) as adjusted under subdivision (c), an additional**
16 **19 cents per gallon on diesel fuel.**

17 (c) Beginning with the rate effective on January 1, 2022 and
18 January 1 of each year thereafter, the department shall determine a
19 cents-per-gallon rate on motor fuel that ~~shall be~~ **is** derived by
20 multiplying the cents-per-gallon rate in effect during the
21 immediately preceding calendar year by 1 plus the lesser of 0.05 or
22 the inflation rate and rounding up the product to the nearest 1/10
23 of a cent. **For purposes of determinations under this subdivision**
24 **after the effective date of the amendatory act that added**
25 **subsection (1) (a) (iii), the cents-per-gallon rate in effect during**
26 **the immediately preceding calendar year is the sum of the**
27 **following:**

28 (i) The rate provided in subdivision (a) (ii) or (b) (ii), as
29 applicable, as previously adjusted under this subdivision.

1 (ii) The rate provided in subdivision (a) (iii) or (b) (iii), as
2 applicable, as previously adjusted under this subdivision.

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

5 (3) The collection, payment, and remittance of the tax imposed
6 by this section ~~shall~~**must** be accomplished in the manner and at the
7 time provided for in this act.

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

15 (5) It is the intent of this act:

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

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

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

25 (d) That the tax imposed by this act be collected and paid at
26 those times, in the manner, and by those persons specified in this
27 act.

28 (6) Bills of lading and invoices ~~shall~~**must** identify the
29 blended product and the correct fuel product code. The motor fuel

1 tax rate for each product ~~shall~~**must** be listed separately on each
2 invoice. Licensees shall report the correct fuel product code for
3 the blended product as required by the department. ~~When~~**If** fuel is
4 blended below the terminal rack, new bills of lading and invoices
5 ~~shall~~**must** be generated and submitted to the department ~~upon~~**on**
6 request. All bills of lading and invoices ~~shall~~**must** meet the
7 requirements ~~provided under~~**of** this act.

8 (7) Notwithstanding any other provision of this act, a
9 facility in this state that produces motor fuel and distributes the
10 fuel from a rack for purposes of this act is a terminal, shall
11 obtain a terminal operator license, and shall comply with all
12 terminal operator reporting requirements under this act. A position
13 holder in a facility shall be licensed as a supplier and shall
14 comply with all supplier requirements under this act.

15 (8) Beginning with the rate in effect on January 1, 2022 and
16 January 1 of each year thereafter, the department shall publish
17 notice of the tax rate **determined** under ~~this section~~**subsection**
18 **(1) (c)** not later than 30 days before the effective date of the
19 rate.

20 (9) A determination by the department of the ~~consumer price~~
21 ~~index~~, **Consumer Price Index**, the inflation rate, or the tax rate
22 under this section is presumed correct and ~~shall~~**must** not be set
23 aside unless an administrative tribunal or a court of competent
24 jurisdiction finds the department's determination to be clearly
25 erroneous.