

MOTOR FUEL TAX ACT (EXCERPT)
Act 403 of 2000

207.1028 Tax on sale or use of motor fuel; measurement by gross gallons; time; measurement on net gallons sold by supplier through terminal as 1-time option.

Sec. 28.

(1) Except as otherwise provided in this section, the tax imposed by this act on the sale or use of motor fuel shall be measured by gross gallons of motor fuel:

(a) Removed by a licensed supplier from the bulk transfer/terminal system or from a qualified terminal or refinery within the United States.

(b) Removed by a licensed supplier from the bulk transfer/terminal system or from a qualified terminal or refinery outside the United States for delivery to a location in this state, as represented on the shipping paper if the supplier either imports the motor fuel for its own account or has made a tax precollection election under section 74.

(c) Transferred within a qualified terminal or refinery in this state to an unlicensed supplier.

(d) In the manner provided by the tax imposed by section 4081 of the internal revenue code or rules promulgated under that section.

(2) The tax imposed by this act on motor fuel that is imported into this state from outside the United States by a licensed importer, other than by a bulk transfer, arises at the time the motor fuel is imported into the state. The tax shall be measured by gross gallons received outside this state at a refinery, terminal, or bulk plant for delivery to a destination in this state, or as otherwise determined by the department.

(3) A supplier who removes motor fuel from a terminal supplied by a refinery located not more than 5 miles from the terminal may exercise a 1-time option to report, collect, and pay tax under this act on all gallons of motor fuel sold by the supplier through that terminal measured by net gallons. A supplier shall exercise the option by notifying the department in writing not less than 30 days before the date the option is exercised. A supplier may rescind the option only upon a showing of good cause and after approval of the department.

History: 2000, Act 403, Eff. Apr. 1, 2001