

MOTOR FUEL TAX ACT (EXCERPT)
Act 403 of 2000

207.1030 Tax exemption.

Sec. 30.

(1) Motor fuel is exempt from the tax imposed by section 8 and the tax shall not be collected by the supplier if the motor fuel:

(a) Is dyed diesel fuel or dyed kerosene.

(b) Is gasoline or diesel fuel that is sold directly by the supplier to the federal government, the state government, or a political subdivision of the state for use in a motor vehicle owned and operated or leased and operated by the federal or state government or a political subdivision of the state.

(c) Is sold directly by the supplier to a nonprofit, private, parochial, or denominational school, college, or university and is used in a school bus owned and operated or leased and operated by the educational institution that is used in the transportation of students to and from the institution or to and from school functions authorized by the administration of the institution.

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

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

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

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

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

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

(g) Is aviation fuel upon which tax is not due under section 203 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.203, and the purchaser has certified in writing to the seller that the aviation fuel is being purchased solely for the purpose of formulating leaded racing fuel as that term is defined in section 4. Aviation fuel qualifying under this subsection shall be identified on shipping papers and invoices as "aviation fuel exempt for LRF".

(h) Is number 5 fuel oil, number 6 fuel oil, or fuel oil commonly sold or referred to as bunker C or navy special, as determined by the department.

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

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

History: 2000, Act 403, Eff. Apr. 1, 2001 ;-- Am. 2002, Act 668, Eff. Apr. 1, 2003 ;-- Am. 2008, Act 26, Eff. May 12, 2008 ;-- Am. 2018, Act 55, Imd. Eff. Mar. 6, 2018