

MOTOR FUEL TAX ACT (EXCERPT)
Act 403 of 2000

207.1084 Tax liability of terminal operator.

Sec. 84. (1) The terminal operator of a terminal in this state is jointly and severally liable with the supplier for the tax imposed under section 8 and shall remit payment to this state within 30 days after discovering either of the following conditions:

(a) The owner of the motor fuel is a person other than the terminal operator and is not a licensed supplier.

(b) In connection with the removal of diesel fuel that is not dyed diesel fuel, the terminal operator provides any person with a bill of lading, shipping paper, or similar document indicating that the diesel fuel is dyed diesel fuel.

(2) A terminal operator shall be relieved of liability under subsection (1)(a) if it establishes all of the following:

(a) The terminal operator has a valid terminal operator's license.

(b) The terminal operator has a copy of the Michigan supplier license from the supplier as required by this act.

(c) The terminal operator has no reason to believe that any information on the Michigan supplier license is false.

(3) A terminal operator is liable for the tax imposed by this act which is not allocable to any licensed supplier, including, but not limited to, motor fuel that is lost or unaccounted for. However, the terminal operator is not liable for the tax if it can establish by substantial evidence that the motor fuel lost was dyed diesel fuel that was dyed before receipt by the terminal operator.

(4) A collection allowance or a deduction shall not be allowed with respect to payment of the tax under this section.

(5) If the number of gallons of motor fuel lost or unaccounted for exceeds 5% of the total gallons removed from that terminal across the rack, the terminal operator shall, in addition to paying the tax that is due, pay a penalty of 100% of the tax otherwise due with the annual report under section 83.

(6) The terminal operator shall remit the tax and any penalties or interest that is due with the annual report required under section 83.

(7) A terminal operator who fails to meet the shipping paper requirements set forth in this act is subject to a civil penalty of \$1,000.00 for the first occurrence. For each subsequent violation, the terminal operator is subject to a civil penalty of \$5,000.00.

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