

SENATE BILL No. 337

March 15, 2001, Introduced by Senators DUNASKISS, BULLARD, STEIL, HAMMERSTROM, SCHUETTE, MC COTTER, BENNETT, KOIVISTO, NORTH, JAYE, SIKKEMA and SHUGARS and referred to the Committee on Transportation and Tourism.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. (1) Subject to the exemptions provided for in this
2 act, tax is imposed on motor fuel imported into or sold, deliv-
3 ered, or used in this state at the following rates:

4 (a) Nineteen cents per gallon on gasoline.

5 (b) Fifteen cents per gallon on diesel fuel.

6 (2) The tax on diesel fuel shall be collected or paid in the
7 following manner:

8 (a) Subject to subsection (3), 9 cents of tax per gallon
9 shall be collected by all of the following:

1 (i) A person who sells or delivers diesel fuel to a licensed
2 supplier, licensed importer, licensed fuel vendor, licensed
3 retail diesel dealer, or licensed marine retail dealer.

4 (ii) A person who delivers the fuel into the bulk storage
5 tank of a motor carrier licensed under the motor carrier fuel tax
6 act, 1980 PA 119, MCL 207.211 to 207.234, or into the fuel supply
7 tank of a qualified commercial motor vehicle issued a decal under
8 the motor carrier fuel tax act, 1980 PA 119, MCL 207.211 to
9 207.234.

10 (b) An additional 6 cents of tax per gallon shall be col-
11 lected and remitted to the department by any person who collected
12 or paid 9 cents per gallon of tax on diesel fuel under subdivi-
13 sion (a) and who does any of the following:

14 (i) Uses the diesel fuel in a motor vehicle that is not
15 issued a decal under the motor carrier fuel tax act.

16 (ii) Sells or delivers diesel fuel into the fuel supply tank
17 of a motor vehicle that is not licensed under the motor carrier
18 fuel tax act.

19 (iii) Delivers undyed diesel fuel into a storage tank of a
20 person who is neither licensed under the motor carrier fuel tax
21 act nor licensed under this act.

22 (c) Fifteen cents of tax per gallon shall be collected and
23 remitted by any person importing, selling, distributing, deliver-
24 ing, or using diesel fuel unless otherwise provided for in subdi-
25 vision (a) or (b).

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

1 (4) The collection, payment, and remittance of the tax
2 imposed by this section shall be accomplished in the manner and
3 at the time provided for in this act.

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

11 (6) It is the intent of this act:

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

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

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

21 (d) That the tax imposed by this act be collected and paid
22 at those times, in the manner, and by those persons specified in
23 this act.

24 (E) THAT THE TAX IMPOSED BY THIS ACT ON MOTOR FUEL IMPORTED
25 INTO OR SOLD, DELIVERED, OR USED IN THIS STATE IS TO BE THE PRI-
26 MARY SOURCE THROUGH WHICH A PERSON WHO OPERATES A MOTOR VEHICLE
27 ON THE PUBLIC ROADS AND HIGHWAYS OF THIS STATE PAYS FOR THE

1 PRIVILEGE OF USING THOSE ROADS AND HIGHWAYS. THE LEGISLATURE
2 FURTHER FINDS AND DETERMINES THAT THE TAXATION OF PERSONS BY THE
3 AMOUNT OF MILEAGE DRIVEN IN THIS STATE IS NOT AN ACCEPTABLE
4 METHOD OF TAXATION TO IMPOSE ON PERSONS FOR THE PRIVILEGE OF
5 USING THE PUBLIC ROADS AND HIGHWAYS OF THIS STATE.