

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 6031**

A bill to amend 1980 PA 119, entitled  
"Motor carrier fuel tax act,"  
by amending section 8 (MCL 207.218), as amended by 2004 PA 472.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 8. (1) Every qualified commercial motor vehicle leased to  
2 a motor carrier shall be subject to this act, to the same extent  
3 and in the same manner as qualified commercial motor vehicles owned  
4 by a motor carrier.

5           (2) A lessor of qualified commercial motor vehicles may be  
6 considered a motor carrier with respect to qualified commercial  
7 motor vehicles leased to others, if the lessor supplies or pays for  
8 the motor fuel consumed by the vehicles or bills rental or other  
9 charges calculated to include the cost of motor fuel. A lessee  
10 motor carrier may exclude a qualified commercial motor vehicle

1 leased from others from the reports and liabilities required by  
2 this act if that qualified commercial motor vehicle has been leased  
3 from a lessor who is a motor carrier pursuant to this act and the  
4 lease agreement provides for the lessor to pay the cost of motor  
5 fuel and motor fuel taxes.

6 (3) Upon application by the licensed motor carrier, the  
7 department may authorize a licensed motor carrier leasing qualified  
8 commercial motor vehicles from 2 or more lessors to file  
9 consolidated reports for these lessors.

10 (4) This section shall govern the primary liability under this  
11 act of lessors and lessees of qualified commercial motor vehicles.  
12 For tax liabilities incurred before April 1, 2005, ~~and tax~~  
13 ~~liabilities incurred after April 1, 2007,~~ if a lessor or lessee  
14 primarily liable fails, in whole or in part, to discharge his or  
15 her liability, the failing party and the other lessor or lessee  
16 party to the transaction shall be jointly and severally responsible  
17 and liable for compliance with this act and for the payment of tax  
18 due. However, the aggregate of taxes collected from a lessor and  
19 lessee by this state under this act shall not exceed the total  
20 amount of taxes due and costs and penalties imposed.

21 (5) For tax liabilities arising after April 1, 2005, ~~and~~  
22 ~~before April 1, 2007,~~ if a lease agreement identifies a party  
23 responsible for the payment of taxes, the nonresponsible party  
24 under the lease shall obtain a copy of the responsible party's  
25 valid international fuel tax agreement registration and keep the  
26 copy on file. If the nonresponsible party does not obtain a copy of  
27 the responsible party's valid international fuel tax agreement

1 registration and the responsible party fails in whole or in part to  
2 discharge his or her liability, then the responsible and  
3 nonresponsible parties shall be jointly and severally responsible  
4 and liable for compliance with this act and payment of tax due. If  
5 the lease agreement does not identify the party responsible for  
6 payment of fuel taxes under this act, then both parties shall be  
7 jointly and severally responsible and liable for compliance with  
8 this act and payment of tax due. However, the aggregate of taxes  
9 collected from a lessor and lessee by this state under this act  
10 shall not exceed the total amount of taxes due and costs and  
11 penalties imposed. **IF THE NONRESPONSIBLE PARTY UNDER THE LEASE**  
12 **MAINTAINS A COPY OF THE RESPONSIBLE PARTY'S VALID INTERNATIONAL**  
13 **FUEL TAX AGREEMENT REGISTRATION ON FILE, THE NONRESPONSIBLE PARTY**  
14 **SHALL HAVE NO RESPONSIBILITY OR LIABILITY FOR COMPLIANCE WITH THIS**  
15 **ACT OR PAYMENT OF ANY TAXES, COSTS, OR PENALTIES DUE UNDER THIS ACT**  
16 **RELATING TO THE MOTOR FUEL CONSUMED UNDER THE LEASE.**