



**Senate Fiscal Agency**  
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**BILL ANALYSIS**

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House Bill 4585 (Substitute H-4 as reported without amendment)

Sponsor: Representative Earl Poleski

House Committee: Transportation and Infrastructure

Senate Committee: Finance

**CONTENT**

The bill would amend the General Sales Tax Act to modify requirements for the prepayment of sales tax on the purchase of fuel (gasoline or diesel fuel) from a refiner, pipeline terminal operator, or marine terminal operator, as follows:

- For an in-State purchase or shipment, the bill would make an exception to the requirements for an exporter or supplier for immediate export out of the State.
- For an out-of-State purchase or receipt for shipment into Michigan, the bill would allow an exception for a refiner or terminal operator if the purchase or receipt were part of a bulk transfer.

Currently, at the time of purchase or shipment from a refiner, pipeline terminal operator, or marine terminal operator, a purchaser or receiver of fuel is required to prepay a portion of the sales tax to the refiner or terminal operator. Under the bill, beginning April 1, 2016, at the time of purchase or shipment in this State from a refiner, pipeline terminal operator, or marine terminal operator, a purchaser or receiver of fuel, other than an exporter or supplier for immediate export, would have to prepay a portion of the sales tax to the refiner or terminal operator.

Currently, if the purchase or receipt of fuel is made outside of this State for shipment into and subsequent sale within the State, the purchaser or receiver, other than a refiner, pipeline terminal operator, or marine terminal operator, must make the prepayment directly to the Department of Treasury. Under the bill, this exception for a refiner or terminal operator would apply in the case of a purchase or receipt of fuel as part of a bulk transfer.

The bill would take effect on April 1, 2016.

MCL 205.56a

Legislative Analyst: Suzanne Lowe

**FISCAL IMPACT**

The bill would have no effect on State or local revenue because the bill would not affect tax liabilities. However, by altering the requirements for prepayment of any liabilities, the bill could affect the timing of when the State receives sales tax revenue associated with motor fuel sales.

Date Completed: 12-2-15

Fiscal Analyst: David Zin