

HOUSE BILL NO. 6196

November 26, 2024, Introduced by Rep. Kunse and referred to the Committee on Government Operations.

A bill to amend 2000 PA 403, entitled
"Motor fuel tax act,"
by amending section 8 (MCL 207.1008), as amended by 2015 PA 176.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. (1) Except as otherwise provided in this act and
2 subject to the exemptions provided for in this act, tax is imposed
3 on motor fuel imported into or sold, delivered, or used in this
4 state at the following rates:

5 (a) Except as otherwise provided in subdivision (c), as
6 follows:

7 (i) Through December 31, 2016, 19 cents per gallon on gasoline.

1 (ii) Beginning January 1, 2017 **and through September 30, 2025,**
2 26.3 cents per gallon on gasoline.

3 (iii) **Beginning October 1, 2025, 48 cents per gallon on**
4 **gasoline.**

5 (b) Except as otherwise provided in subdivision (c), as
6 follows:

7 (i) Through December 31, 2016, 15 cents per gallon on diesel
8 fuel.

9 (ii) Beginning January 1, 2017 **and through September 30, 2025,**
10 26.3 cents per gallon on diesel fuel.

11 (iii) **Beginning October 1, 2025, 48 cents per gallon on diesel**
12 **fuel.**

13 (c) ~~Beginning~~ **Except as otherwise provided in this**
14 **subdivision, beginning** with the rate effective on January 1, 2022
15 and January 1 of each year thereafter, the department shall
16 determine a cents-per-gallon rate on motor fuel that ~~shall be~~ **is**
17 derived by multiplying the cents-per-gallon rate in effect during
18 the immediately preceding calendar year by 1 plus the lesser of
19 0.05 or the inflation rate and rounding up the product to the
20 nearest 1/10 of a cent. **Notwithstanding the rate determined under**
21 **this subdivision for the 2025 calendar year, both of the following**
22 **apply:**

23 (i) **The rate effective for the period beginning October 1, 2025**
24 **through December 31, 2025 is the rate provided in subdivision**
25 **(a) (iii) or (b) (iii), as applicable.**

26 (ii) **The rate under subparagraph (i) is considered the rate in**
27 **effect during the immediately preceding calendar year for purposes**
28 **of determining the rate effective on January 1, 2026.**

29 (2) Tax ~~shall be~~ **is** not ~~be~~ imposed under this section on motor

1 fuel that is in the bulk transfer/terminal system.

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

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

12 (5) It is the intent of this act:

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

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

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

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

25 (6) Bills of lading and invoices ~~shall~~**must** identify the
26 blended product and the correct fuel product code. The motor fuel
27 tax rate for each product ~~shall~~**must** be listed separately on each
28 invoice. Licensees shall report the correct fuel product code for
29 the blended product as required by the department. ~~When~~**If** fuel is

1 blended below the terminal rack, new bills of lading and invoices
2 ~~shall~~**must** be generated and submitted to the department ~~upon~~**on**
3 request. All bills of lading and invoices ~~shall~~**must** meet the
4 requirements ~~provided under~~**of** this act.

5 (7) Notwithstanding any other provision of this act, a
6 facility in this state that produces motor fuel and distributes the
7 fuel from a rack for purposes of this act is a terminal, shall
8 obtain a terminal operator license, and shall comply with all
9 terminal operator reporting requirements under this act. A position
10 holder in a facility shall be licensed as a supplier and shall
11 comply with all supplier requirements under this act.

12 (8) Beginning with the rate in effect on January 1, 2022 and
13 January 1 of each year thereafter, the department shall publish
14 notice of the tax rate under this section not later than 30 days
15 before the effective date of the rate.

16 (9) A determination by the department of the ~~consumer price~~
17 ~~index~~, **Consumer Price Index**, the inflation rate, or the tax rate
18 under this section is presumed correct and ~~shall~~**must** not be set
19 aside unless an administrative tribunal or a court of competent
20 jurisdiction finds the department's determination to be clearly
21 erroneous.

22 Enacting section 1. This amendatory act does not take effect
23 unless all of the following bills of the 102nd Legislature are
24 enacted into law:

25 (a) Senate Bill No. ____ or House Bill No. 6194 (request no.
26 06253'24).

27 (b) Senate Bill No. ____ or House Bill No. 6195 (request no.
28 06253'24 a).

29 (c) Senate Bill No. ____ or House Bill No. 6197 (request no.

1 06255'24).