

SENATE SUBSTITUTE FOR HOUSE SUBSTITUTE FOR SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4614

A bill to amend 2004 PA 175, entitled
"Streamlined sales and use tax revenue equalization act,"
by amending sections 3 and 5 (MCL 205.173 and 205.175).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

2 (A) "ALTERNATIVE FUEL" MEANS THAT TERM AS DEFINED IN SECTION
3 151 OF THE MOTOR FUEL TAX ACT, 2000 PA 403, MCL 207.1151.

4 (B) ~~(a)~~—"Department" means the department of treasury.

5 (C) ~~(b)~~—"Diesel fuel" means that term as defined in section
6 ~~2(p)~~ 2 of the motor fuel tax act, 2000 PA 403, MCL 207.1002.

7 (D) "GALLON EQUIVALENT" MEANS THAT TERM AS DEFINED IN SECTION
8 151 OF THE MOTOR FUEL TAX ACT, 2000 PA 403, MCL 207.1151.

9 (E) "GASOLINE" MEANS THAT TERM AS DEFINED IN SECTION 3 OF THE

1 **MOTOR FUEL TAX ACT, 2000 PA 403, MCL 207.1003.**

2 (F) ~~(e)~~—"Interstate motor carrier" means a person who operates
3 or causes to be operated a qualified commercial motor vehicle on a
4 public road or highway in this state and at least 1 other state or
5 Canadian province.

6 (G) **"MOTOR FUEL" MEANS DIESEL FUEL AND GASOLINE.**

7 (H) ~~(d)~~—"Person" means an individual, firm, partnership, joint
8 venture, association, social club fraternal organization, municipal
9 or private corporation whether or not organized for profit,
10 company, limited liability company, estate, trust receiver,
11 trustee, syndicate, the United States, this state, country, or any
12 other group or combination acting as a unit, and the plural as well
13 as the singular number, unless the intention to give a more limited
14 meaning is disclosed by the context.

15 (I) ~~(e)~~—"Qualified commercial motor vehicle" means that term
16 as defined in section 1 of the motor carrier fuel tax act, 1980 PA
17 119, MCL 207.211.

18 (J) ~~(f)~~—"Sales tax" means the tax levied under the general
19 sales tax act, 1933 PA 167, MCL 205.51 to 205.78.

20 (K) ~~(g)~~—"Tax" includes all taxes, interest, or penalties
21 levied under this act.

22 (L) ~~(h)~~—"Taxpayer" means a person subject to tax under this
23 act.

24 (M) ~~(i)~~—"Use tax" means the tax levied under the use tax act,
25 1937 PA 94, MCL 205.91 to 205.111.

26 Sec. 5. (1) There is levied upon and there shall be collected
27 from every person in this state who is an interstate motor carrier

1 a specific tax for the privilege of using or consuming ~~diesel~~-MOTOR
2 FUEL AND ALTERNATIVE fuel in a qualified commercial motor vehicle
3 in this state.

4 (2) FOR MOTOR FUEL UPON WHICH THE TAX IMPOSED UNDER SUBSECTION
5 (1) APPLIES, THE TAX SHALL BE IMPOSED at a cents-per-gallon rate
6 equal to 6% of the statewide average retail price of a gallon of
7 self-serve UNDYED NO. 2 ULTRA-LOW SULFUR diesel fuel OR SELF-SERVE
8 UNLEADED REGULAR GASOLINE, AS APPLICABLE, rounded down to the
9 nearest 1/10 of a cent as determined and certified quarterly by the
10 department. This tax on ~~diesel~~-MOTOR fuel used by interstate motor
11 carriers in a qualified commercial motor vehicle shall be collected
12 under the international fuel tax agreement. AN INTERSTATE MOTOR
13 CARRIER IS ENTITLED TO A CREDIT FOR 6% OF THE PRICE OF MOTOR FUEL
14 PURCHASED IN THIS STATE AND USED IN A QUALIFIED COMMERCIAL MOTOR
15 VEHICLE. THIS CREDIT SHALL BE CLAIMED ON THE RETURNS FILED UNDER
16 THE INTERNATIONAL FUEL TAX AGREEMENT.

17 (3) FOR ALTERNATIVE FUEL UPON WHICH THE TAX IMPOSED UNDER
18 SUBSECTION (1) APPLIES, THE TAX SHALL BE IMPOSED AT A CENTS-PER-
19 GALLON RATE, OR CENTS-PER-GALLON EQUIVALENT RATE, AS APPLICABLE,
20 EQUAL TO 6% OF THE AVERAGE RETAIL PRICE OF A GALLON OR GALLON
21 EQUIVALENT, AS APPLICABLE, OF THE APPLICABLE ALTERNATIVE FUEL
22 ROUNDED DOWN TO THE NEAREST 1/10 OF A CENT AS DETERMINED AND
23 CERTIFIED QUARTERLY BY THE DEPARTMENT. FOR PURPOSES OF THIS
24 SUBSECTION, THE AVERAGE RETAIL PRICE IS TO BE BASED ON THE
25 STATEWIDE AVERAGE PRICE OF THE PARTICULAR ALTERNATIVE FUEL, AS
26 DETERMINED BY THE DEPARTMENT, UNLESS THE DEPARTMENT DETERMINES THAT
27 A STATEWIDE AVERAGE IS NOT READILY AVAILABLE. IF A STATEWIDE

1 AVERAGE IS NOT READILY AVAILABLE, THE DEPARTMENT MAY USE AVAILABLE
2 REGIONAL OR NATIONWIDE AVERAGE RETAIL PRICING INFORMATION, OR WHEN
3 REGIONAL OR NATIONWIDE PRICING INFORMATION CANNOT BE READILY
4 OBTAINED, MAY USE THE AVERAGE RETAIL PRICE APPLICABLE TO GASOLINE
5 UNDER SUBSECTION (2) FOR COMPRESSED NATURAL GAS OR THE AVERAGE
6 RETAIL PRICE APPLICABLE TO DIESEL FUEL UNDER SUBSECTION (2) FOR ALL
7 OTHER TYPES OF ALTERNATIVE FUEL, WITH ADJUSTMENTS AS THE DEPARTMENT
8 DETERMINES ARE APPROPRIATE TO CONVERT GASOLINE OR DIESEL FUEL
9 PRICES TO PRICES FOR ALTERNATIVE FUEL.

10 (4) ~~(2)~~—THE TAX ON ALTERNATIVE FUEL UNDER SUBSECTION (3) USED
11 BY INTERSTATE MOTOR CARRIERS IN A QUALIFIED COMMERCIAL MOTOR
12 VEHICLE SHALL BE COLLECTED UNDER THE INTERNATIONAL FUEL TAX
13 AGREEMENT. An interstate motor carrier is entitled to a credit for
14 6% of the price of ~~diesel~~—ALTERNATIVE fuel purchased in this state
15 and used in a qualified commercial motor vehicle. This credit shall
16 be claimed on the returns filed under the international fuel tax
17 agreement.

18 Enacting section 1. This amendatory act takes effect January
19 1, 2017.

20 Enacting section 2. This amendatory act does not take effect
21 unless all of the following bills of the 98th Legislature are
22 enacted into law:

23 (a) Senate Bill No. 414.

24 (b) House Bill No. 4370.

25 (c) House Bill No. 4616.

26 (d) House Bill No. 4736.

27 (e) House Bill No. 4737.

1 (f) House Bill No. 4738.