



Romney Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

ALTERNATIVE-FUELED VEHICLES

House Bills 6050 and 6051

Sponsor: Rep. Kirk A. Profit

Committee: Tax Policy

Complete to 9-21-98

A SUMMARY OF HOUSE BILLS 6050 AND 6051 AS INTRODUCED 9-16-98

The bills would provide sales tax and use tax exemptions for alternative-fueled vehicles. The term "alternative fuel" in the bills would refer to methanol, denatured ethanol, and other alcohols; mixtures containing 50 percent or more by volume of methanol, denatured ethanol, and other alcohol, with gasoline or other fuels; natural gas; liquefied petroleum gas; hydrogen; coal-derived liquid fuels; and electricity. An alternative-fueled vehicle would be a motor vehicle that uses an alternative fuel as a source of propulsion or a dual-fueled vehicle. A dual-fueled vehicle would be a motor vehicle that has the capacity to be propelled by either conventional fuel or alternative fuel.

House Bill 6050 would amend the Use Tax Act (MCL 205.94o) to exempt the storage, use, or consumption of an alternative-fueled vehicle, including a vehicle purchased for lease to another person, from the use tax.

House Bill 6051 would amend the General Sales Tax Act (MCL 205.54r) to exempt from the tax 1) the difference between the cost of an alternative-fueled vehicle, including one purchased for lease to another person, and the cost that the same motor vehicle would have had with a traditional fuel source; and 2) the sale of equipment used to convert a motor vehicle to an alternative-fueled vehicle.

House Bills 6050 and 6051 (9-21-98)

Analyst: C. Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.