

HOUSE BILL No. 4813

May 21, 1997, Introduced by Reps. Alley, Wetters and Harder and referred to the Committee on Transportation.

A bill to amend 1927 PA 150, entitled

"An act to prescribe a privilege tax for the use of the public highways by owners and drivers of motor vehicles by imposing a specific tax upon the sale or use, within the state of Michigan, of motor fuel; to prescribe the manner and the time of paying this tax and the duties of officials and others respecting the payment and collection of this tax; to provide for the licensing of wholesale distributors, certain retail dealers, exporters, and suppliers as defined in this act; to fix a time when this tax and interest and penalties thereon become a lien upon the property of persons, firms, partnerships, associations, or corporations, subject to the payment of this tax; to provide for the enforcement of this lien; to permit the inspection and testing of petroleum products; to provide for certain exemptions and refunds and for the disposition of the proceeds of this tax; and to prescribe penalties for the violation of this act,"

by amending section 2 (MCL 207.102), as amended by 1992 PA 225.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. (1) A specific tax at a rate of cents per gallon
2 determined under subsection (2) ~~or (3)~~ is imposed on all
3 gasoline and diesel motor fuel sold or used in producing or
4 generating power for propelling motor vehicles used upon the

1 public roads and highways in this state. The tax shall be paid
2 at those times, in the manner, and by those persons specified in
3 this act. It is the intent of this act to impose a tax upon the
4 owners and drivers of motor vehicles using an internal combustion
5 type of engine upon the public roads and highways of this state
6 by requiring them to pay for the privilege of using the public
7 roads and highways of this state, in addition to the motor vehi-
8 cle license tax.

9 ~~-(2) Beginning January 1, 1983, and ending December 31,~~
10 ~~1984, the tax rate imposed under subsection (1) for each 12-month~~
11 ~~period after December 31, 1982, shall be 11 cents per gallon or~~
12 ~~the tax rate calculated by the state commissioner of revenue as~~
13 ~~follows, with the final result of the calculation being rounded~~
14 ~~to the nearest 1/10 of a cent, whichever is the greater:~~

15 ~~(a) The latest available maintenance index figure for the~~
16 ~~most recent preceding calendar year for which a maintenance index~~
17 ~~figure is available shall be divided by the maintenance index~~
18 ~~figure for 1980.~~

19 ~~(b) The gallonage figure for the fiscal year ending~~
20 ~~September 30, 1980, shall be divided by the gallonage figure for~~
21 ~~the fiscal year preceding the 12-month period for which the tax~~
22 ~~is being calculated.~~

23 ~~(c) The quotient derived in subdivision (a) shall be multi-~~
24 ~~plied by the quotient derived in subdivision (b).~~

25 ~~(d) The product derived in subdivision (c) shall be multi-~~
26 ~~plied by 12 cents.~~

1 (2) ~~(3)~~ Beginning January 1, 1985 UNTIL JUNE 30, 1997, the
2 tax rate imposed under subsection (1) shall be the tax rate
3 imposed for the 12-month period ending December 31, 1984.
4 BEGINNING JULY 1, 1997, THE TAX RATE IMPOSED UNDER SUBSECTION (1)
5 SHALL BE 20 CENTS.

6 ~~(4) Notwithstanding any other provision of this section, if~~
7 ~~the United States department of transportation, federal highway~~
8 ~~administration, materially alters the component parts of the~~
9 ~~highway maintenance and operation index described in subsection~~
10 ~~(8), the tax rate imposed under subsection (1) using the formula~~
11 ~~prescribed by subsection (2) shall not change from the tax rate~~
12 ~~imposed under subsection (1) immediately preceding the~~
13 ~~alteration.~~

14 ~~(5) Notwithstanding any other provision of this section, the~~
15 ~~tax rate imposed under subsection (1) for a 12-month period shall~~
16 ~~not be more than 2 cents greater than the tax rate imposed for~~
17 ~~the previous 12-month period.~~

18 (3) ~~(6)~~ The state commissioner of revenue shall notify
19 each supplier, wholesale distributor, and each retail dealer of
20 gasoline in this state of the tax rate imposed under subsection
21 (1) immediately after the tax rate is determined.

22 ~~(7) By June 30, 1993, the department shall submit a report~~
23 ~~to the senate finance and house taxation committees with its rec-~~
24 ~~ommendations on the most appropriate manner in which to tax vehi-~~
25 ~~cles propelled on the highways of this state by alternative~~
26 ~~fuels.~~

1 ~~(8) As used in this section:~~

2 ~~(a) "Gallorage figure" means the number of gallons of~~
3 ~~gasoline, alcohol-gasoline fuel, liquefied petroleum gas, diesel~~
4 ~~motor fuel, and any other fuel taxed under this act during a des-~~
5 ~~ignated year.~~

6 ~~(b) "Maintenance index figure" means the maintenance index~~
7 ~~total for a designated year as reported in the highway mainte-~~
8 ~~nance and operation index published annually by the United States~~
9 ~~department of transportation, federal highway administration:~~
10 ~~cost trends--highway maintenance and operation.~~