

SENATE BILL NO. 815

November 13, 1997, Introduced by Senators STEIL and SCHWARZ
and referred to the Committee on Finance.

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 sections 2 and 22 (MCL 207.102 and 207.122), section 2 as amended by 1997 PA 83 and section 22 as amended by 1995 PA 52.

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) is imposed on all gasoline and

1 diesel motor fuel sold or used in producing or generating power
2 for propelling motor vehicles used upon the public roads and
3 highways in this state. The tax shall be paid at those times, in
4 the manner, and by those persons specified in this act. It is
5 the intent of this act to impose a tax upon the owners and driv-
6 ers of motor vehicles using an internal combustion type of engine
7 upon the public roads and highways of this state by requiring
8 them to pay for the privilege of using the public roads and high-
9 ways of this state, in addition to the motor vehicle license
10 tax.

11 (2) The tax rate imposed under subsection (1) is as
12 follows:

13 (a) For the tax imposed on gasoline and diesel motor fuel
14 before August 1, 1997, 15 cents.

15 (b) For the tax imposed on gasoline after July 31, 1997, 19
16 cents.

17 (c) For the tax imposed on diesel motor fuel after July 31,
18 1997, AND BEFORE JANUARY 1, 1998, 15 cents.

19 (D) FOR THE TAX IMPOSED ON DIESEL MOTOR FUEL AFTER DECEMBER
20 31, 1997, 19 CENTS.

21 (3) The state commissioner of revenue shall notify each sup-
22 plier, wholesale distributor, and each retail dealer of gasoline
23 in this state of the tax rate imposed under subsection (1) imme-
24 diately after the tax rate is determined.

25 Sec. 22. (1) There shall be allowed a discount of 6 cents
26 per gallon of the tax imposed on diesel motor fuel pursuant to
27 section 2(1) if the diesel motor fuel is delivered into the fuel

1 supply tanks of a commercial motor vehicle licensed under the
2 motor carrier fuel tax act, ~~Act No. 119 of the Public Acts of~~
3 ~~1980, being sections 207.211 to 207.235 of the Michigan Compiled~~
4 ~~Laws~~ 1980 PA 119, MCL 207.211 TO 207.234.

5 (2) The tax on diesel motor fuel sold and delivered in this
6 state by the retailer into the fuel supply tanks of motor vehi-
7 cles shall be collected by the supplier and paid over monthly to
8 the department except that the retail dealer shall pay over
9 monthly to the department 6 cents of the tax imposed under
10 section 2 for each gallon sold for delivery into or supplied into
11 the fuel supply tanks of a motor vehicle that is not a commercial
12 motor vehicle licensed under ~~Act No. 119 of the Public Acts of~~
13 ~~1980~~ 1980 PA 119 and eligible for discount allowed under subsec-
14 tion (1). Each diesel motor fuel retailer shall invoice sales of
15 diesel motor fuel as prescribed by the department. Persons oper-
16 ating passenger vehicles of a capacity of 10 or more under a cer-
17 tificate of public convenience and necessity issued by the
18 Michigan public service commission, or under a municipal fran-
19 chise, license, permit, agreement, or grant, respectively, and
20 operating over regularly traveled routes expressly provided for
21 in the certificate of convenience and necessity, or municipal
22 license, permit, agreement, or grant, shall be entitled to a
23 refund of the tax paid in the manner provided in section 12.
24 Refunds provided for under this section to a state certificated
25 operator of an intercity motor bus, shall apply only to those
26 gallons of diesel motor fuel producing mileage traveled by each
27 intercity motor bus over regular routes or on charter trips or

1 portions of charter trips within this state. The tax shall apply
2 to diesel motor fuel delivered in this state into the storage of
3 a user or acquired by a user in any manner.

4 (3) An end use purchaser who has paid the tax on diesel
5 motor fuel may claim a refund of the tax paid on diesel motor
6 fuel used by the purchaser while operating a motor vehicle at a
7 plant or jobsite while not on the public roads and highways of
8 this state. The department may determine the formulae, methodol-
9 ogy, and documentation necessary to implement this subsection.

10 (4) A tax is not imposed OR COLLECTED under this act ~~, nor~~
11 ~~shall a tax be collected,~~ on diesel motor fuel used in motor
12 vehicles owned by or leased and operated by a political subdivi-
13 sion of this state, or motor vehicles owned and operated by this
14 state or the federal government.

15 (5) The purchaser of diesel motor fuel for use in school
16 buses owned and operated by nonprofit private, parochial, or
17 denominational schools, colleges, and universities and used in
18 the transportation of students to and from school, and to and
19 from school functions authorized by the administration of the
20 eligible institution, shall be entitled to a refund of the tax
21 paid in the manner provided in section 12. This subsection shall
22 apply to purchases made after December 31, 1994 for which the
23 documentation required by section 12 is furnished.

24 (6) A tax is not imposed OR COLLECTED BY A SUPPLIER OF
25 DIESEL MOTOR FUEL under this act ~~, nor shall a tax be collected~~
26 ~~by a supplier of diesel motor fuel~~ if the fuel is purchased by

1 an end user for any of the following purposes or for resale to an
2 end user for any of the following purposes:

- 3 (a) For off-highway use.
- 4 (b) For use as a home heating oil.
- 5 (c) For export in compliance with section 3.
- 6 (d) For use as other than motor fuel.
- 7 (e) For use in trains.