

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bills 1264, 1265, and 1266 (as reported without amendment)
Sponsor: Senator George A. McManus, Jr.
Committee: Finance

CONTENT

The bills would amend three Acts to bring their provisions into conformity with the Motor Fuel Tax Act (as proposed to be repealed and recodified by Senate Bill 1205).

Senate Bill 1264 would amend the Aeronautics Code to provide that a person who intended to purchase fuel to be used in producing or generating power for propelling aircraft, using the aeronautical facilities on the lands and waters of the State, would have to register with the Department of Treasury under Section 94 of the Motor Fuel Tax Act. (As proposed in Senate Bill 1205 (S-1), Section 94 would prohibit a person from purchasing fuel identified as aviation fuel unless the person was registered with the Department of Treasury.) Further, the Code currently requires payment of a privilege tax of three cents per gallon on all fuel sold for propelling aircraft using facilities in Michigan. The tax must be paid to the Secretary of State. The bill instead would require the tax to be collected and remitted in the same manner as fuel taxes collected under the Motor Fuel Tax Act.

Senate Bill 1265 would amend the Natural Resources and Environmental Protection Act, which imposes a privilege tax on gasoline and diesel fuel sold for the operation of watercraft, off-road vehicles, and snowmobiles, to require that the privilege tax imposed on gasoline and undyed diesel fuel be paid to the Department in the same manner as taxes paid under the Motor Fuel Tax Act. Further, the bill specifies that the privilege tax imposed on dyed diesel fuel would have to be paid to the Department by the retail distributor or other person who sold the dyed diesel fuel to a person who used it to generate power for the operation of watercraft, off-road vehicles, and snowmobiles. (Senate Bill 1205 (S-1) proposes to establish a dyed diesel fuel program, which would forbid the use of dyed diesel fuel on the highways, and exempt dyed diesel fuel from the motor fuel tax.)

Senate Bill 1266 would amend the Motor Carrier Fuel Tax Act to replace current references to Public Act 150 of 1927 (the Motor Fuel Tax Act) with references to the Motor Fuel Tax Act (as proposed in Senate Bill 1205).

MCL 259.203 (S.B. 1264)
324.71102 (S.B. 1265)
207.211 & 207.214 (S.B. 1266)

Legislative Analyst: G. Towne

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

Date Completed: 5-23-00

Fiscal Analyst: C. Thiel

floor\sb1264

Analysis available @ <http://www.michiganlegislature.org>

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.