

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5920**

A bill to amend 1980 PA 119, entitled
"Motor carrier fuel tax act,"
by amending section 8 (MCL 207.218), as amended by 1996 PA 584.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. (1) Every qualified commercial motor vehicle leased
2 to a motor carrier shall be subject to this act, to the same
3 extent and in the same manner as qualified commercial motor
4 vehicles owned by a motor carrier.
5 (2) A lessor of qualified commercial motor vehicles may be
6 considered a motor carrier with respect to qualified commercial
7 motor vehicles leased to others, if the lessor supplies or pays
8 for the motor fuel consumed by the vehicles or bills rental or
9 other charges calculated to include the cost of motor fuel. A
10 lessee motor carrier may exclude a qualified commercial motor
11 vehicle leased from others from the reports and liabilities

1 required by this act if that qualified commercial motor vehicle
2 has been leased from a lessor who is a motor carrier pursuant to
3 this act and the lease agreement provides for the lessor to pay
4 the cost of motor fuel and motor fuel taxes.

5 (3) Upon application by the licensed motor carrier, the
6 department may authorize a licensed motor carrier leasing
7 qualified commercial motor vehicles from 2 or more lessors to
8 file consolidated reports for these lessors.

9 (4) This section shall govern the primary liability under
10 this act of lessors and lessees of qualified commercial motor
11 vehicles. ~~If~~ **For tax liabilities incurred before April 1, 2005**
12 **and tax liabilities incurred after April 1, 2007, if** a lessor or
13 lessee primarily liable fails, in whole or in part, to discharge
14 his or her liability, the failing party and the other lessor or
15 lessee party to the transaction shall be jointly and severally
16 responsible and liable for compliance with this act and for the
17 payment of tax due. However, the aggregate of taxes collected
18 from a lessor and lessee by this state under this act shall not
19 exceed the total amount of taxes due and costs and penalties
20 imposed.

21 (5) **For tax liabilities arising after April 1, 2005 and**
22 **before April 1, 2007, if a lease agreement identifies a party**
23 **responsible for the payment of taxes, the nonresponsible party**
24 **under the lease shall obtain a copy of the responsible party's**
25 **valid international fuel tax agreement registration and keep the**
26 **copy on file. If the nonresponsible party does not obtain a copy**
27 **of the responsible party's valid international fuel tax agreement**

1 registration and the responsible party fails in whole or in part
2 to discharge his or her liability, then the responsible and
3 nonresponsible parties shall be jointly and severally responsible
4 and liable for compliance with this act and payment of tax due.
5 If the lease agreement does not identify the party responsible
6 for payment of fuel taxes under this act, then both parties shall
7 be jointly and severally responsible and liable for compliance
8 with this act and payment of tax due. However, the aggregate of
9 taxes collected from a lessor and lessee by this state under this
10 act shall not exceed the total amount of taxes due and costs and
11 penalties imposed.