

Act No. 472
Public Acts of 2004
Approved by the Governor
December 22, 2004
Filed with the Secretary of State
December 28, 2004
EFFECTIVE DATE: December 28, 2004

**STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2004**

Introduced by Reps. Kooiman, Steil, Pappageorge, Huizenga, Voorhees, Gaffney, Hune, Vander Veen and Stahl

ENROLLED HOUSE BILL No. 5920

AN ACT to amend 1980 PA 119, entitled "An act to prescribe a privilege tax for the use of public roads and highways of this state by motor carriers by imposing a specific tax upon the use of motor fuel within this state; to provide for certain credits against this tax and certain mechanisms for paying, collecting, and enforcing this tax; to provide for the licensing of motor carriers and for exemptions from licensure; to require the keeping and providing for the examination of certain reports; to provide review procedures for the assessment of the tax and revocation of a license; to impose certain duties upon and confer certain powers to certain state departments and agencies; to prescribe certain penalties for the violation of this act; and to make appropriations," by amending section 8 (MCL 207.218), as amended by 1996 PA 584.

The People of the State of Michigan enact:

Sec. 8. (1) Every qualified commercial motor vehicle leased to a motor carrier shall be subject to this act, to the same extent and in the same manner as qualified commercial motor vehicles owned by a motor carrier.

(2) A lessor of qualified commercial motor vehicles may be considered a motor carrier with respect to qualified commercial motor vehicles leased to others, if the lessor supplies or pays for the motor fuel consumed by the vehicles or bills rental or other charges calculated to include the cost of motor fuel. A lessee motor carrier may exclude a qualified commercial motor vehicle leased from others from the reports and liabilities required by this act if that qualified commercial motor vehicle has been leased from a lessor who is a motor carrier pursuant to this act and the lease agreement provides for the lessor to pay the cost of motor fuel and motor fuel taxes.

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

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

(5) For tax liabilities arising after April 1, 2005 and before April 1, 2007, if a lease agreement identifies a party responsible for the payment of taxes, the nonresponsible party under the lease shall obtain a copy of the responsible party's valid international fuel tax agreement registration and keep the copy on file. If the nonresponsible party does not obtain a copy of the responsible party's valid international fuel tax agreement registration and the responsible party fails in whole or in part to discharge his or her liability, then the responsible and nonresponsible parties shall be jointly and severally responsible and liable for compliance with this act and payment of tax due. If the lease agreement does

not identify the party responsible for payment of fuel taxes under this act, then both parties shall be jointly and severally responsible and liable for compliance with this act and payment of tax due. However, the aggregate of taxes collected from a lessor and lessee by this state under this act shall not exceed the total amount of taxes due and costs and penalties imposed.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor