

**SUBSTITUTE FOR
HOUSE BILL NO. 6031**

A bill to amend 1980 PA 119, entitled
"Motor carrier fuel tax act,"
by amending section 8 (MCL 207.218), as amended by 2004 PA 472.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

1 from a lessor who is a motor carrier pursuant to this act and the
2 lease agreement provides for the lessor to pay the cost of motor
3 fuel and motor fuel taxes.

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

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

19 (5) For tax liabilities arising after April 1, 2005, ~~and~~
20 ~~before April 1, 2007,~~ if a lease agreement identifies a party
21 responsible for the payment of taxes, the nonresponsible party
22 under the lease shall obtain a copy of the responsible party's
23 valid international fuel tax agreement registration and keep the
24 copy on file. If the nonresponsible party does not obtain a copy of
25 the responsible party's valid international fuel tax agreement
26 registration and the responsible party fails in whole or in part to
27 discharge his or her liability, then the responsible and

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