

HOUSE BILL No. 6031

May 4, 2006, Introduced by Reps. Green, Kooiman, Gosselin, Wenke and Hansen and referred to the Committee on Transportation.

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

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

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

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

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

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