

# SENATE BILL No. 1074

February 23, 2006, Introduced by Senators GILBERT, BROWN, PATTERSON, CROPSEY, ALLEN, BISHOP, JELINEK, BIRKHOLZ, TOY, KUIPERS, SIKKEMA, HAMMERSTROM, GARCIA, VAN WOERKOM, JOHNSON, OLSHOVE, LELAND, CHERRY and THOMAS and referred to the Committee on Technology and Energy.

A bill to amend 2000 PA 403, entitled  
"Motor fuel tax act,"  
by amending section 8 (MCL 207.1008), as amended by 2002 PA 668.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 8. (1) Subject to the exemptions provided for in this  
2 act, tax is imposed on motor fuel imported into or sold, delivered,  
3 or used in this state at the following rates:

4       (a) ~~Nineteen~~ **EXCEPT AS PROVIDED IN SUBDIVISION (C), 19** cents  
5 per gallon on gasoline.

6       (b) ~~Fifteen~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (D),**  
7 15 cents per gallon on diesel fuel.

8       (c) **TWELVE CENTS PER GALLON ON GASOLINE THAT IS AT LEAST 85%**  
9 **ETHANOL.**

10       (d) **TWELVE CENTS PER GALLON ON DIESEL FUEL THAT CONTAINS AT**  
11 **LEAST 5% BIODIESEL.**

1           (2) Tax shall not be imposed under this section on motor fuel  
2 that is in the bulk transfer/terminal system.

3           (3) The collection, payment, and remittance of the tax imposed  
4 by this section shall be accomplished in the manner and at the time  
5 provided for in this act.

6           (4) Tax is also imposed at the rate described in subsection  
7 (1)(a) or (b) on net gallons of motor fuel, including transmix,  
8 lost or unaccounted for, at each terminal in this state. The tax  
9 shall be measured annually and shall apply to the net gallons of  
10 motor fuel lost or unaccounted for that are in excess of 1/2 of 1%  
11 of all net gallons of fuel removed from the terminal across the  
12 rack or in bulk.

13           (5) It is the intent of this act:

14           (a) To require persons who operate a motor vehicle on the  
15 public roads or highways of this state to pay for the privilege of  
16 using those roads or highways.

17           (b) To impose on suppliers a requirement to collect and remit  
18 the tax imposed by this act at the time of removal of motor fuel  
19 unless otherwise specifically provided in this act.

20           (c) To allow persons who pay the tax imposed by this act and  
21 who use the fuel for a nontaxable purpose to seek a refund or claim  
22 a deduction as provided in this act.

23           (d) That the tax imposed by this act be collected and paid at  
24 those times, in the manner, and by those persons specified in this  
25 act.

26           **(6) BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT**  
27 **ADDED THIS SECTION, THE DIRECTOR SHALL ANNUALLY DETERMINE THE**

1 DIFFERENCE BETWEEN THE AMOUNT OF MOTOR FUEL TAX COLLECTED AND THE  
2 AMOUNT OF MOTOR FUEL TAX THAT WOULD HAVE BEEN COLLECTED BUT FOR THE  
3 DIFFERENTIAL RATES ON GASOLINE PURSUANT TO SUBSECTION (1) (C) AND  
4 BIODIESEL FUEL PURSUANT TO SUBSECTION (1) (D). SUBSECTION (1) (C) AND  
5 (D) ARE NO LONGER EFFECTIVE THE EARLIER OF 10 YEARS AFTER THE  
6 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION OR  
7 THE DATE THAT THE DIRECTOR CERTIFIES THAT THE TOTAL CUMULATIVE RATE  
8 DIFFERENTIAL FROM THE EFFECTIVE DATE OF THIS AMENDATORY ACT IS  
9 GREATER THAN \$2,500,000.00. THE LEGISLATURE SHALL APPROPRIATE THE  
10 AMOUNT DETERMINED AS THE RATE DIFFERENTIAL BY THE DIRECTOR ANNUALLY  
11 TO THE MICHIGAN TRANSPORTATION FUND CREATED IN 1951 PA 51, MCL  
12 247.651 TO 247.675. IF THE LEGISLATURE DOES NOT ANNUALLY  
13 APPROPRIATE THE AMOUNT DETERMINED AS THE RATE DIFFERENTIAL BY THE  
14 DIRECTOR, SUBSECTION (1) (C) AND (D) ARE NO LONGER EFFECTIVE  
15 BEGINNING THE FIRST FISCAL YEAR AFTER THE YEAR IN WHICH THE ANNUAL  
16 APPROPRIATION REQUIRED UNDER THIS SECTION IS NOT MADE.