

**SUBSTITUTE FOR  
HOUSE BILL NO. 5583**

A bill to amend 2000 PA 403, entitled  
"Motor fuel tax act,"  
by amending sections 30 and 94 (MCL 207.1030 and 207.1094), section  
30 as amended by 2002 PA 668.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 30. (1) Motor fuel is exempt from the tax imposed by  
2 section 8 and the tax shall not be collected by the supplier if the  
3 motor fuel:

4       (a) Is dyed diesel fuel or dyed kerosene.

5       (b) Is gasoline or diesel fuel that is sold directly by the  
6 supplier to the federal government, the state government, or a  
7 political subdivision of the state for use in a motor vehicle owned  
8 and operated or leased and operated by the federal or state

1 government or a political subdivision of the state.

2 (c) Is sold directly by the supplier to a nonprofit, private,  
3 parochial, or denominational school, college, or university and is  
4 used in a school bus owned and operated or leased and operated by  
5 the educational institution that is used in the transportation of  
6 students to and from the institution or to and from school  
7 functions authorized by the administration of the institution.

8 (d) Is fuel for which proof of export is available in the form  
9 of a terminal-issued destination state shipping paper under any of  
10 the following circumstances:

11 (i) The motor fuel is exported by a supplier who is licensed in  
12 the destination state.

13 (ii) Until December 31, 2000, the motor fuel is sold by a  
14 supplier to a licensed exporter for immediate export.

15 (iii) The motor fuel is sold by a supplier to another person for  
16 immediate export to a state for which the destination state fuel  
17 tax has been paid to the supplier who is licensed to remit tax to  
18 that destination state.

19 (e) Is gasoline removed from a pipeline or marine vessel by a  
20 taxable fuel registrant with the internal revenue service as a fuel  
21 feedstock user.

22 (f) Is motor fuel that is sold for use in aircraft but only if  
23 the purchaser paid the tax imposed on that fuel under the  
24 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1  
25 to 259.208, and the purchaser is registered under section 94 if  
26 required to be registered under that section.

27 **(G) IS AVIATION FUEL UPON WHICH TAX IS NOT DUE UNDER SECTION**

1 203 OF THE AERONAUTICS CODE OF THE STATE OF MICHIGAN, 1945 PA 327,  
2 MCL 259.203, AND THE PURCHASER HAS CERTIFIED IN WRITING TO THE  
3 SELLER THAT THE AVIATION FUEL IS BEING PURCHASED SOLELY FOR THE  
4 PURPOSE OF FORMULATING LEADED RACING FUEL AS THAT TERM IS DEFINED  
5 IN SECTION 4. AVIATION FUEL QUALIFYING UNDER THIS SUBSECTION SHALL  
6 BE IDENTIFIED ON SHIPPING PAPERS AND INVOICES AS "AVIATION FUEL  
7 EXEMPT FOR LRF".

8 (2) Motor fuel is exempt from the tax imposed by section 8 if  
9 it is acquired by an end user outside of this state and brought  
10 into this state in the fuel supply tank of a motor vehicle that is  
11 not a commercial motor vehicle, but only if the fuel is retained  
12 within and consumed from that same fuel supply tank.

13 (3) A person who uses motor fuel for a taxable purpose where  
14 the tax imposed by this act was not collected shall pay to the  
15 department the tax imposed by section 8 and any applicable  
16 penalties or interest. The payment shall be made on a form or in a  
17 format prescribed by the department.

18 Sec. 94. (1) A person shall not purchase for resale motor fuel  
19 identified on a shipping paper or invoice as aviation fuel unless  
20 the person is registered with the department on a form or in a  
21 format prescribed by the department.

22 (2) Motor fuel upon which the tax imposed under section 203 of  
23 the aeronautics code of the state of Michigan, 1945 PA 327, MCL  
24 259.203, has been paid shall be identified on the shipping paper or  
25 invoice as aviation fuel and shall be sold only for aviation  
26 purposes. A seller shall obtain from the purchaser a statement that  
27 the fuel will only be sold or used as aviation fuel.

1           (3) A person shall not sell, use, or label motor fuel that is  
2 exempt from tax under section ~~30(1)(g)~~**30(1)(F)** or that has been  
3 identified on a shipping paper or invoice as aviation fuel for use  
4 other than as aviation fuel, **EXCEPT THAT A PERSON MAY SELL OR USE**  
5 **MOTOR FUEL IDENTIFIED ON A SHIPPING PAPER OR INVOICE AS "AVIATION**  
6 **FUEL EXEMPT FOR LRF" UNDER THIS ACT FOR THE SOLE PURPOSE OF**  
7 **PRODUCING LEADED RACING FUEL AS THAT TERM IS DEFINED IN SECTION 4.**

8           (4) A person shall not sell, use, or label for aviation  
9 purposes motor fuel identified on a shipping paper or invoice as  
10 diesel fuel.

11           (5) A person who knowingly violates this section is guilty of  
12 a felony.

13           Enacting section 1. This amendatory act takes effect 60 days  
14 after the date it is enacted into law.

15           Enacting section 2. This amendatory act does not take effect  
16 unless House Bill No. 5582 of the 94th Legislature is enacted into  
17 law.