

HOUSE BILL No. 5583

December 13, 2007, Introduced by Reps. Schuitmaker, Bieda, Condino, Stahl, Huizenga, Tobocman, Accavitti, Hildenbrand, Proos, Shaffer, Elsenheimer, DeRoche and Johnson and referred to the Committee on Tax Policy.

A bill to amend 2000 PA 403, entitled "Motor fuel tax act," by amending sections 30, 39, and 94 (MCL 207.1030, 207.1039, and 207.1094), section 30 as amended by 2002 PA 668 and section 39 as amended by 2006 PA 277.

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

1 political subdivision of the state for use in a motor vehicle owned
2 and operated or leased and operated by the federal or state
3 government or a political subdivision of the state.

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

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

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

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

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

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

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

1 required to be registered under that section.

2 (G) IS MOTOR FUEL BOUGHT FOR THE PURPOSE OF FORMULATING LEADED
3 RACING FUEL TO BE USED ONLY BY RACING VEHICLES FOR A NONHIGHWAY
4 PURPOSE.

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

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

15 Sec. 39. (1) ~~An~~ **SUBJECT TO SUBSECTION (2), AN** end user may
16 seek a refund for tax paid under this act on motor fuel or leaded
17 racing fuel used in an implement of husbandry or otherwise used for
18 a nonhighway purpose not otherwise expressly exempted under this
19 act. However, a person shall not seek and is not eligible for a
20 refund for tax paid on gasoline or leaded racing fuel used in a
21 snowmobile, off-road vehicle, or vessel as defined in the natural
22 resources and environmental protection act, 1994 PA 451, MCL
23 324.101 to 324.90106.

24 (2) **AN END USER OF AVIATION FUEL BOUGHT FOR THE FORMULATION OF**
25 **LEADED RACING FUEL TO BE USED ONLY BY RACING VEHICLES FOR A**
26 **NONHIGHWAY PURPOSE IS EXEMPT FROM THE PAYMENT OF THE TAX IMPOSED**
27 **UNDER THIS ACT.**

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

5 (2) Motor fuel upon which the tax imposed under section 203 of
6 the aeronautics code of the state of Michigan, 1945 PA 327, MCL
7 259.203, has been paid shall be identified on the shipping paper or
8 invoice as aviation fuel and shall be sold only for aviation
9 purposes. A seller shall obtain from the purchaser a statement that
10 the fuel will only be sold or used as aviation fuel.

11 (3) A person shall not sell, use, or label motor fuel that is
12 exempt from tax under section ~~30(1)(g)~~**30(1)(F)** or that has been
13 identified on a shipping paper or invoice as aviation fuel for use
14 other than as aviation fuel. **THIS SUBSECTION DOES NOT PROHIBIT A**
15 **PERSON FROM SELLING, USING, OR LABELING MOTOR FUEL IDENTIFIED AS**
16 **AVIATION FUEL IN THE FORMULATION OF LEADED RACING FUEL.**

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

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

22 Enacting section 1. This amendatory act does not take effect
23 unless Senate Bill No. ____ or House Bill No. 5582(request no.
24 05040'07) of the 94th Legislature is enacted into law.