

# SENATE BILL No. 1159

February 28, 2008, Introduced by Senators JELINEK, PAPPAGEORGE, BROWN, BIRKHOLZ and WHITMER and referred to the Committee on Transportation.

A bill to amend 1980 PA 119, entitled  
"Motor carrier fuel tax act,"  
by amending section 2 (MCL 207.212), as amended by 2006 PA 346.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 2. (1) A motor carrier licensed under this act shall pay  
2 a road tax calculated on the amount of motor fuel consumed in  
3 qualified commercial motor vehicles on the public roads or highways  
4 within this state. Except as otherwise provided under subsection  
5 (6), the tax shall be at the rate of 15 cents per gallon on motor  
6 fuel consumed on the public roads or highways within this state. In  
7 addition, qualified commercial motor vehicles licensed under this  
8 act that travel in interstate commerce will be subject to the  
9 definition of taxable motor fuels and rates as defined by the  
10 respective international fuel tax agreement member jurisdictions. A

1 return shall be filed, and the tax due paid, quarterly to the  
2 department on or before the last day of January, April, July, and  
3 October of each year on a form prescribed and furnished by the  
4 department. Each quarterly return and tax payment shall cover the  
5 liability for the annual quarter ending on the last day of the  
6 preceding month.

7 (2) The amount of motor fuel consumed in the operation of a  
8 motor carrier on public roads or highways within this state shall  
9 be determined by dividing the miles traveled within Michigan by the  
10 average miles per gallon of motor fuel. The average miles per  
11 gallon of motor fuel shall be determined by dividing the miles  
12 traveled within and outside of Michigan by the total amount of  
13 motor fuel consumed within and outside of Michigan.

14 (3) In the absence of records showing the average number of  
15 miles operated per gallon of motor fuel, it shall be presumed that  
16 1 gallon of motor fuel is consumed for every 4 miles traveled.

17 (4) The quarterly tax return shall be accompanied by a  
18 remittance covering any tax due.

19 (5) The commissioner, when he or she considers it necessary to  
20 ensure payment of the tax or to provide a more efficient  
21 administration of the tax, may require the filing of returns and  
22 payment of the tax for other than quarterly periods.

23 (6) ~~The~~**BEGINNING ON APRIL 1, 2008, THE** road tax required  
24 under this section shall be at a rate of 12 cents per gallon for  
25 diesel fuel that contains at least 5% biodiesel. As used in this  
26 subsection, "biodiesel" means a fuel composed of mono-alkyl esters  
27 of long chain fatty acids derived from vegetable oils or animal

1 fats and, in accordance with standards specified by the American  
2 society for testing and materials, designated B100 and meeting the  
3 requirements of D-6751, as approved by the department of  
4 agriculture.

5 (7) Beginning on ~~September 1, 2006~~ **APRIL 1, 2009**, the state  
6 treasurer shall annually determine, for the 12-month period ending  
7 ~~May 1~~ **MARCH 31, 2009** and for any additional times that the  
8 treasurer may determine, the difference between the amount of motor  
9 fuel tax collected and the amount of motor fuel tax that would have  
10 been collected but for the differential rates on motor fuel in  
11 section 8 of the motor fuel tax act, 2000 PA 403, MCL 207.1008, and  
12 on motor fuel in subsection (6). **THE TREASURER SHALL NOTIFY THE**  
13 **CHAIRS OF THE APPROPRIATIONS COMMITTEES OF THE SENATE AND THE HOUSE**  
14 **OF REPRESENTATIVES, THE CHAIRS OF THE APPROPRIATIONS SUBCOMMITTEES**  
15 **ON TRANSPORTATION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES,**  
16 **THE DIRECTOR OF THE DEPARTMENT OF AGRICULTURE, AND THE SENATE AND**  
17 **HOUSE FISCAL AGENCIES OF THE RATE DIFFERENTIAL NO LATER THAN 7 DAYS**  
18 **AFTER THE TREASURER HAS DETERMINED THE RATE DIFFERENTIAL. THE**  
19 **TREASURER SHALL DETERMINE THE RATE DIFFERENTIAL FOR EACH 12-MONTH**  
20 **PERIOD NO LATER THAN 30 DAYS AFTER THE CLOSE OF THE 12-MONTH**  
21 **PERIOD.** Subsection (6) is no longer effective the ~~earlier of 10~~  
22 ~~years after September 1, 2006 or the first day of the first month~~  
23 ~~that is not less than 90 days after the state treasurer certifies~~  
24 ~~that the total cumulative rate differential due to the differential~~  
25 ~~rates in section 8 of the motor fuel tax act, 2000 PA 403, MCL~~  
26 ~~207.1008, and subsection (6) from September 1, 2006~~ **APRIL 1, 2008**  
27 is greater than ~~\$2,500,000.00~~ **\$6,000,000.00.**

1 ~~—— (8) The legislature shall annually appropriate to the Michigan~~  
2 ~~transportation fund created in 1951 PA 51, MCL 247.651 to 247.675,~~  
3 ~~the amount determined as the rate differential certified by the~~  
4 ~~state treasurer for the 12 month period ending on May 1 of the~~  
5 ~~calendar year in which the fiscal year begins. Subsection (6) shall~~  
6 ~~not be effective beginning January of any fiscal year for which the~~  
7 ~~appropriation required under this subsection has not been made by~~  
8 ~~the first day of the fiscal year.~~