

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4738**

A bill to amend 2000 PA 403, entitled  
"Motor fuel tax act,"  
by amending sections 2, 3, 8, 22, 40, 45, 53, 63, 122, 143, 151,  
152, 153, 154, and 155 (MCL 207.1002, 207.1003, 207.1008, 207.1022,  
207.1040, 207.1045, 207.1053, 207.1063, 207.1122, 207.1143,  
207.1151, 207.1152, 207.1153, 207.1154, and 207.1155), sections 2  
and 122 as amended by 2002 PA 668, section 3 as amended by 2006 PA  
277, and section 8 as amended by 2006 PA 268; and to repeal acts  
and parts of acts.

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

- 1       Sec. 2. As used in this act:
- 2       (a) "Alcohol" means fuel grade ethanol or a mixture of fuel
- 3       grade ethanol and another product.

1 (b) "Blendstock" means and includes any petroleum product  
2 component of motor fuel, such as naphtha, reformat, or toluene; or  
3 any oxygenate that can be blended for use in a motor fuel.

4 (c) "Blended motor fuel" means a mixture of motor fuel and  
5 another liquid, other than a de minimis amount of a product  
6 including, but not limited to, carburetor detergent or oxidation  
7 inhibitor, that can be used as motor fuel in a motor vehicle.

8 (d) "Blender" means and includes any person who produces  
9 blended motor fuel outside of the bulk transfer/terminal system.

10 (e) "Blends" or "blending" means the mixing of 1 or more  
11 petroleum products, with or without another product, regardless of  
12 the original character of the product blended, if the product  
13 obtained by the blending is capable of use in the generation of  
14 power for the propulsion of a motor vehicle, an airplane, or a  
15 marine vessel. Blending does not include mixing that occurs in the  
16 process of refining by the original refiner of crude petroleum or  
17 the blending of products known as lubricating oil in the production  
18 of lubricating oils and greases.

19 (f) "Bulk end user" means a person who receives into the  
20 person's own storage facilities by transport truck or tank wagon  
21 motor fuel for the person's own consumption.

22 (g) "Bulk plant" means a motor fuel storage and distribution  
23 facility that is not a terminal and from which motor fuel may be  
24 withdrawn by a tank wagon, a transport truck, or a marine vessel.

25 (h) "Bulk transfer" means a transfer of motor fuel from 1  
26 location to another by pipeline tender or marine delivery within  
27 the bulk transfer/terminal system, including, but not limited to,

1 all of the following transfers:

2 (i) A marine vessel movement of motor fuel from a refinery or  
3 terminal to a terminal.

4 (ii) Pipeline movements of motor fuel from a refinery or  
5 terminal to a terminal.

6 (iii) Book transfers of motor fuel within a terminal between  
7 licensed suppliers before completion of removal across the terminal  
8 rack.

9 (iv) Two-party exchanges between licensed suppliers.

10 (i) "Bulk transfer/terminal system" means the motor fuel  
11 distribution system consisting of refineries, pipelines, marine  
12 vessels, and terminals. Motor fuel in a refinery, pipeline,  
13 terminal, or a marine vessel transporting motor fuel to a refinery  
14 or terminal is in the bulk transfer/terminal system. Motor fuel in  
15 a fuel storage facility including, but not limited to, a bulk plant  
16 that is not part of a refinery or terminal, in the fuel supply tank  
17 of any engine or motor vehicle, in a marine vessel transporting  
18 motor fuel to a fuel storage facility that is not in the bulk  
19 transfer/terminal system, or in any tank car, rail car, trailer,  
20 truck, or other equipment suitable for ground transportation is not  
21 in the bulk transfer/terminal system.

22 (j) "Carrier" means an operator of a pipeline or marine vessel  
23 engaged in the business of transporting motor fuel above the  
24 terminal rack.

25 (k) "Commercial motor vehicle" means a motor vehicle licensed  
26 **AS A QUALIFIED COMMERCIAL MOTOR VEHICLE** under the motor carrier  
27 fuel tax act, 1980 PA 119, MCL 207.211 to 207.234, **OR A MOTOR**

1 VEHICLE LICENSED UNDER AN INTERNATIONAL FUEL TAX AGREEMENT UNDER  
2 SECTION 2A OF THE MOTOR CARRIER FUEL TAX ACT, 1980 PA 119, MCL  
3 207.212A.

4 (I) "CONSUMER PRICE INDEX" MEANS UNITED STATES CONSUMER PRICE  
5 INDEX FOR ALL URBAN CONSUMERS AS DEFINED AND REPORTED BY THE UNITED  
6 STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

7 (M) ~~(L)~~ "Dead storage" is the amount of motor fuel that cannot  
8 be pumped out of a motor fuel storage tank because the motor fuel  
9 is below the mouth of the tank's draw pipe. The amount of motor  
10 fuel in dead storage is 200 gallons for a tank with a capacity of  
11 less than 10,000 gallons and 400 gallons for a tank with a capacity  
12 of 10,000 gallons or more.

13 (N) ~~(m)~~ "Denaturants" means ~~and includes~~ gasoline, natural  
14 gasoline, gasoline components, or toxic or noxious materials added  
15 to fuel grade ethanol to make it unsuitable for beverage use but  
16 not unsuitable for automotive use.

17 (O) ~~(n)~~ "Department" means the ~~bureau of revenue within the~~  
18 department of treasury or its designee.

19 (P) ~~(o)~~ "Destination state" means ~~the~~ A state, Canadian  
20 province or territory, or foreign country to which motor fuel is  
21 directed for export.

22 (Q) ~~(p)~~ "Diesel fuel" means any liquid other than gasoline  
23 that is capable of use as a fuel or a component of a fuel in a  
24 motor vehicle that is propelled by a diesel-powered engine or in a  
25 diesel-powered train. Diesel fuel includes number 1 and number 2  
26 fuel oils, kerosene, dyed diesel fuel, and mineral spirits. Diesel  
27 fuel also includes any blendstock or additive that is sold for

1 blending with diesel fuel, any liquid prepared, advertised, offered  
 2 for sale, sold for use as, or used in the generation of power for  
 3 the propulsion of a diesel-powered engine, airplane, or marine  
 4 vessel. An additive or blendstock is presumed to be sold for  
 5 blending unless a certification is obtained for federal purposes  
 6 that the substance is for a use other than blending for diesel  
 7 fuel. Diesel fuel does not include an excluded liquid.

8 (R) ~~(q)~~—"Dyed diesel fuel" means diesel fuel that is dyed in  
 9 accordance with internal revenue service rules or pursuant to any  
 10 other internal revenue service requirements, including any  
 11 invisible marker requirements.

12 (S) ~~(r)~~—"Eligible purchaser" means a person who has been  
 13 authorized by the department under section 75 to make ~~the~~ **AN**  
 14 election under section 74.

15 (T) ~~(s)~~—"Excluded liquid" means that term as defined in 26  
 16 ~~C.F.R.~~ **CFR** 48.4081-1.

17 (U) ~~(t)~~—"Export" means to obtain motor fuel in this state for  
 18 sale or other distribution outside of this state. Motor fuel  
 19 delivered outside of this state by or for the seller constitutes an  
 20 export by the seller and motor fuel delivered outside of this state  
 21 by or for the purchaser constitutes an export by the purchaser.

22 (V) ~~(u)~~—"Exporter" means a person who exports motor fuel.

23 Sec. 3. As used in this act:

24 (a) "Fuel feedstock user" means a person who receives motor  
 25 fuel for the person's own use in the manufacture or production of  
 26 any substance other than motor fuel.

27 (b) "Fuel grade ethanol" means the American ~~society for~~

1 ~~testing and materials~~ **SOCIETY FOR TESTING AND MATERIALS** standard in  
2 effect on ~~the effective date of this act~~ **APRIL 1, 2001** as the D-  
3 4806 specification for denatured fuel grade ethanol for blending  
4 with gasoline.

5 (c) "Fuel transportation vehicle" means a vehicle designed or  
6 used to transport motor fuel on the public roads or highways. Fuel  
7 transportation vehicle includes, but is not limited to, a transport  
8 truck and a tank wagon. Fuel transportation vehicle does not  
9 include a vehicle transporting a nurse tank or limited volume  
10 auxiliary-mounted supply tank used for fueling an implement of  
11 husbandry.

12 (d) "Gallon" means a unit of liquid measure as customarily  
13 used in the United States containing 231 cubic inches, or 4 quarts,  
14 or its metric equivalent expressed in liters. Where the term gallon  
15 appears in this act, the term liters is interchangeable so long as  
16 the equivalence of a gallon and 3.785 liters is preserved. A  
17 quantity required to be furnished under this act may be specified  
18 in liters when authorized by the department.

19 (e) "Gasohol" means a blended motor fuel composed of gasoline  
20 and fuel grade ethanol.

21 (f) "Gasoline" means ~~and includes~~ gasoline, alcohol, gasohol,  
22 casing head or natural gasoline, benzol, benzine, naphtha, and any  
23 blendstock additive, or other product including methanol that is  
24 sold for blending with gasoline or for use on the road other than  
25 products typically sold in containers of less than 5 gallons.  
26 Gasoline also includes a liquid prepared, advertised, offered for  
27 sale, sold for use as, or used in the generation of power for the

1 propulsion of a motor vehicle, airplane, or marine vessel,  
2 including a product obtained by blending together any 1 or more  
3 products of petroleum, with or without another product, and  
4 regardless of the original character of the petroleum products  
5 blended, if the product obtained by the blending is capable of use  
6 in the generation of power for the propulsion of a motor vehicle,  
7 airplane, or marine vessel. The blending of all of the above named  
8 products, regardless of their name or characteristics, shall  
9 conclusively be presumed to have been done to produce motor fuel,  
10 unless the product obtained by the blending is entirely incapable  
11 of use as motor fuel. Gasoline also includes transmix. Gasoline  
12 does not include diesel fuel or leaded racing fuel. An additive or  
13 blendstock is presumed to be sold for blending unless a  
14 certification is obtained for federal purposes that the substance  
15 is for a use other than blending for gasoline.

16 (g) "Gross gallons" means the total measured product,  
17 exclusive of any temperature or pressure adjustments,  
18 considerations, or deductions, in gallons.

19 ~~— (h) "Heating oil" means a motor fuel including dyed diesel~~  
20 ~~fuel that is burned in a boiler, furnace, or stove for heating,~~  
21 ~~agricultural, or industrial processing purposes.~~

22 (H) ~~(i)~~ "Implement of husbandry" means ~~and includes~~ a farm  
23 tractor, a vehicle designed to be drawn or pulled by a farm tractor  
24 or animal, a vehicle that directly harvests farm products, ~~and OR~~ a  
25 vehicle that directly applies fertilizer, spray, or seeds to a farm  
26 field. Implement of husbandry does not include a motor vehicle  
27 licensed for use on the public roads or highways of this state.

1           (I) ~~(j)~~—"Import" means to bring motor fuel into this state by  
2 motor vehicle, marine vessel, pipeline, or any other means.  
3 ~~However, import~~ **IMPORT** does not include bringing motor fuel into  
4 this state in the fuel supply tank of a motor vehicle if the motor  
5 fuel is used to power that motor vehicle. Motor fuel delivered into  
6 this state from outside of this state by or for the seller  
7 constitutes an import by the seller, and motor fuel delivered into  
8 this state from ~~out~~ **OUTSIDE** of this state by or for the purchaser  
9 constitutes an import by the purchaser.

10           (J) ~~(k)~~—"Importer" means a person who imports motor fuel into  
11 this state.

12           (K) ~~(l)~~—"Import verification number" means the number assigned  
13 by the department to an individual delivery of motor fuel by a  
14 transport truck, tank wagon, marine vessel, or rail car in response  
15 to a request for a number from an importer or transporter carrying  
16 motor fuel into this state for the account of an importer.

17           (I) **"INFLATION RATE" MEANS THE ANNUAL PERCENTAGE CHANGE IN THE**  
18 **CONSUMER PRICE INDEX, AS DETERMINED BY THE DEPARTMENT, COMPARING**  
19 **THE 2 MOST RECENT OCTOBER 1 THROUGH SEPTEMBER 30 PERIODS THAT ARE**  
20 **IMMEDIATELY PRECEDING THE EFFECTIVE DATE OF THE RATE PRESCRIBED**  
21 **UNDER SECTION 8(1)(C), CONVERTED TO DECIMALS. IF THE ANNUAL**  
22 **PERCENTAGE CHANGE IS NEGATIVE, THEN THE INFLATION RATE IS ZERO.**

23           (m) "In this state" means the area within the borders of this  
24 state, including all territories within the borders owned by, held  
25 in trust by, or added to the United States of America.

26           (n) "Invoiced gallons" means the number of gallons actually  
27 billed on an invoice.

1       Sec. 8. (1) ~~Subject~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS ACT**  
2 **AND SUBJECT** to the exemptions provided for in this act, tax is  
3 imposed on motor fuel imported into or sold, delivered, or used in  
4 this state at the following rates:

5       (a) Except as otherwise provided in subdivision (c), **AS**  
6 **FOLLOWS:**

7       (i) **THROUGH DECEMBER 31, 2016**, 19 cents per gallon on  
8 gasoline.

9       (ii) **BEGINNING JANUARY 1, 2017**, 26.3 CENTS PER GALLON ON  
10 **GASOLINE.**

11 ~~—— (b) Except as otherwise provided in subdivision (d), 15 cents~~  
12 ~~per gallon on diesel fuel.~~

13 ~~—— (c) Subject to subsections (10) and (11), 12 cents per gallon~~  
14 ~~on gasoline that is at least 70% ethanol. Under this subdivision,~~  
15 ~~blenders of ethanol and gasoline outside of the bulk transfer~~  
16 ~~terminal system shall obtain a blender's license and are subject to~~  
17 ~~the blender reporting requirements under this act. A licensed~~  
18 ~~supplier who blends ethanol and gasoline shall also obtain a~~  
19 ~~blender's license.~~

20 ~~—— (d) Subject to subsections (10) and (11), 12 cents per gallon~~  
21 ~~on diesel fuel that contains at least 5% biodiesel. Under this~~  
22 ~~subdivision, blenders of biodiesel and diesel fuel outside of the~~  
23 ~~bulk transfer terminal system are required to obtain a blender's~~  
24 ~~license and are subject to the blender reporting requirements under~~  
25 ~~this act. A licensed supplier who blends biodiesel and diesel fuel~~  
26 ~~shall also obtain a blender's license.~~

27       **(B) EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (C), AS**

1   FOLLOWS:

2           (i) THROUGH DECEMBER 31, 2016, 15 CENTS PER GALLON ON DIESEL  
3   FUEL.

4           (ii) BEGINNING JANUARY 1, 2017, 26.3 CENTS PER GALLON ON  
5   DIESEL FUEL.

6           (C) BEGINNING WITH THE RATE EFFECTIVE ON JANUARY 1, 2022 AND  
7   JANUARY 1 OF EACH YEAR THEREAFTER, THE DEPARTMENT SHALL DETERMINE A  
8   CENTS-PER-GALLON RATE ON MOTOR FUEL THAT SHALL BE DERIVED BY  
9   MULTIPLYING THE CENTS-PER-GALLON RATE IN EFFECT DURING THE  
10   IMMEDIATELY PRECEDING CALENDAR YEAR BY 1 PLUS THE LESSER OF 0.05 OR  
11   THE INFLATION RATE AND ROUNDING UP THE PRODUCT TO THE NEAREST 1/10  
12   OF A CENT.

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

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

18          (4) Tax is also imposed at the rate described in subsection  
19   (1) on net gallons of motor fuel, including transmix, lost or  
20   unaccounted for, at each terminal in this state. The tax shall be  
21   measured annually and shall apply to the net gallons of motor fuel  
22   lost or unaccounted for that are in excess of 1/2 of 1% of all net  
23   gallons of fuel removed from the terminal across the rack or in  
24   bulk.

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

26           (a) To require persons who operate a motor vehicle on the  
27   public roads or highways of this state to pay for the privilege of

1 using those roads or highways.

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

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

8 (d) That the tax imposed by this act be collected and paid at  
9 those times, in the manner, and by those persons specified in this  
10 act.

11 (6) Bills of lading and invoices shall identify the blended  
12 product and the correct fuel product code. The motor fuel tax rate  
13 for each product shall be listed separately on each invoice.  
14 Licensees shall report the correct fuel product code for the  
15 blended product as required by the department. When fuel is blended  
16 below the terminal rack, new bills of lading and invoices shall be  
17 generated and submitted to the department upon request. All bills  
18 of lading and invoices shall meet the requirements provided under  
19 this act.

20 (7) Notwithstanding any other provision of this act, ~~all~~  
21 ~~facilities~~ **A FACILITY** in this state that ~~produce~~ **PRODUCES** motor  
22 fuel and ~~distribute~~ **DISTRIBUTES** the fuel from a rack for purposes  
23 of this act ~~are~~ **IS** a terminal, ~~and~~ shall obtain a terminal operator  
24 license, and shall comply with all terminal operator reporting  
25 requirements under this act. ~~All~~ **A** position holders **HOLDER** in ~~these~~  
26 ~~facilities~~ **A FACILITY** shall be licensed as a supplier and shall  
27 comply with all supplier requirements under this act.

~~(8) If the tax on gasoline that contains at least 70% ethanol or diesel fuel that contains at least 5% biodiesel held in storage outside of the bulk transfer/terminal system on the effective date of the amendatory act that added this subsection has previously been paid at the rates imposed by subsection (1)(a) and (b), the person who paid the tax may claim a refund for the difference between the rates imposed by subsection (1)(a) and (b) and the rates imposed by subsection (1)(c) and (d). All of the following shall apply to a refund claimed under this subsection:~~

~~(a) The refund shall be claimed on a form prescribed by the department.~~

~~(b) The refund shall apply only to:~~

~~(i) Previously taxed gasoline containing at least 70% ethanol or diesel fuel containing at least 5% biodiesel in excess of 3,000 gallons held in storage by an end user.~~

~~(ii) Previously taxed gasoline containing at least 70% ethanol or diesel fuel containing at least 5% biodiesel held for sale that is in excess of dead storage.~~

~~(9) A refund request shall be filed within 60 days after the last day of the month in which the amendatory act that added this subsection took effect. A taxpayer shall provide documentation that the department requires in order to verify the request for refund. A person who may claim a refund under subsection (8) shall do all of the following to claim the refund:~~

~~(a) Not later than 12 a.m. on the effective date of the amendatory act that added this subsection, take an inventory of gasoline containing at least 70% ethanol or undyed diesel fuel~~

1 ~~containing at least 5% biodiesel.~~

2 ~~—— (b) Deduct 3,000 gallons if the person claiming the refund is~~  
3 ~~an end user.~~

4 ~~—— (c) Deduct the number of gallons in dead storage if the~~  
5 ~~gasoline containing at least 70% ethanol or the undyed diesel fuel~~  
6 ~~containing at least 5% biodiesel is held for subsequent sale.~~

7 ~~—— (10) Beginning on the effective date of the amendatory act~~  
8 ~~that added this subsection, the state treasurer shall annually~~  
9 ~~determine, for the 12-month period ending May 1 and for any~~  
10 ~~additional times that the treasurer may determine, the difference~~  
11 ~~between the amount of motor fuel tax collected and the amount of~~  
12 ~~motor fuel tax that would have been collected but for the~~  
13 ~~differential rates on gasoline pursuant to subsection (1)(c) and~~  
14 ~~biodiesel pursuant to subsection (1)(d). Subsection (1)(c) and (d)~~  
15 ~~is no longer effective the earlier of 10 years after the effective~~  
16 ~~date of the amendatory act that added this subsection or the first~~  
17 ~~day of the first month that is not less than 90 days after the~~  
18 ~~state treasurer certifies that the total cumulative rate~~  
19 ~~differential from the effective date of this amendatory act is~~  
20 ~~greater than \$2,500,000.00.~~

21 ~~—— (11) The legislature shall annually appropriate to the~~  
22 ~~Michigan transportation fund created in 1951 PA 51, MCL 247.651 to~~  
23 ~~247.675, the amount determined as the rate differential certified~~  
24 ~~by the state treasurer for the 12-month period ending on May 1 of~~  
25 ~~the calendar year in which the fiscal year begins. Subsection~~  
26 ~~(1)(c) and (d) shall not be effective beginning January of any~~  
27 ~~fiscal year for which the appropriation required under this~~

~~subsection has not been made by the first day of the fiscal year.~~

~~———— (12) As used in this section:~~

~~———— (a) "Biodiesel" means a fuel composed of mono alkyl esters of long chain fatty acids derived from vegetable oils or animal fats and, in accordance with standards specified by the American society for testing and materials, designated B100 and meeting the requirements of D-6751, as approved by the department of agriculture.~~

~~———— (b) "Ethanol" means denatured fuel ethanol that is suitable for use in a spark ignition engine when mixed with gasoline so long as the mixture meets the American society for testing and materials D-5798 specifications.~~

**(8) BEGINNING WITH THE RATE IN EFFECT ON JANUARY 1, 2022 AND JANUARY 1 OF EACH YEAR THEREAFTER, THE DEPARTMENT SHALL PUBLISH NOTICE OF THE TAX RATE UNDER THIS SECTION NOT LATER THAN 30 DAYS BEFORE THE EFFECTIVE DATE OF THE RATE.**

**(9) A DETERMINATION BY THE DEPARTMENT OF THE CONSUMER PRICE INDEX, THE INFLATION RATE, OR THE TAX RATE UNDER THIS SECTION IS PRESUMED CORRECT AND SHALL NOT BE SET ASIDE UNLESS AN ADMINISTRATIVE TRIBUNAL OR A COURT OF COMPETENT JURISDICTION FINDS THE DEPARTMENT'S DETERMINATION TO BE CLEARLY ERRONEOUS.**

Sec. 22. (1) The tax imposed on gasoline shall be in lieu of all other taxes imposed or to be imposed upon the sale or use of gasoline by ~~the~~ **THIS** state or any political subdivision of this state except for the taxes imposed by the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, and the use tax act, 1937 PA 94, MCL 205.91 to 205.111.

(2) The tax imposed on diesel fuel **AND ALTERNATIVE FUEL** shall be imposed in lieu of all other taxes imposed or to be imposed upon the sale or use of diesel fuel **OR ALTERNATIVE FUEL** by ~~the~~**THIS** state or a political subdivision of ~~the~~**THIS** state, except the taxes imposed by the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, the use tax act, 1937 PA 94, MCL 205.91 to 205.111, and the motor carrier fuel tax act, 1980 PA 119, MCL 207.211 to 207.234. The exception for taxes imposed by **THE GENERAL SALES TAX ACT**, 1933 PA 167, **MCL 205.51 TO 205.78**, and **THE USE TAX ACT**, 1937 PA 94, ~~shall~~**MCL 205.91 TO 205.111, DOES** not apply to diesel fuel used in passenger vehicles of a capacity of 10 or more operated for hire under a certificate issued by the state transportation department. **AS USED IN THIS SUBSECTION, "ALTERNATIVE FUEL" MEANS THAT TERM AS DEFINED IN SECTION 151.**

Sec. 40. (1) A person may seek a refund for tax paid under this act on motor fuel **OR ALTERNATIVE FUEL** that is **1 OR MORE OF THE FOLLOWING:**

(a) Accidentally contaminated by dye or another contaminant, including but not limited to gasoline that is mixed with diesel fuel, if the resulting product cannot be used to operate a motor vehicle on the public roads or highways without violating this act or other state or federal law.

(b) Accidentally lost or destroyed as a direct result of a sudden and unexpected casualty loss.

(2) ~~This~~**THE** refund **DESCRIBED IN SUBSECTION (1)** does not apply if the person **SEEKING THE REFUND** has been reimbursed for the cost of the tax by **ANY PERSON, INCLUDING, BUT NOT LIMITED TO,** an

1 insurance company, for the loss or contamination. IF A PERSON  
2 SEEKING A REFUND UNDER THIS SECTION IS REIMBURSED FOR ANY AMOUNT,  
3 THAT PERSON SHALL DEMONSTRATE TO THE DEPARTMENT THAT THE AMOUNT  
4 REIMBURSED DOES NOT INCLUDE TAX PAID UNDER THIS ACT ON THE MOTOR  
5 FUEL OR ALTERNATIVE FUEL IN ORDER TO BE ELIGIBLE FOR THE REFUND.

6 Sec. 45. (1) An end user operating a motor vehicle with a  
7 common fuel supply tank from which motor fuel **OR ALTERNATIVE FUEL**  
8 is used both to propel the vehicle and to operate attached  
9 equipment may seek a refund for tax paid under this act on ~~diesel~~  
10 **MOTOR fuel OR ALTERNATIVE FUEL** consumed from that fuel supply tank  
11 in the amount of 15% of the tax paid.

12 (2) Notwithstanding subsection (1), an end user operating a  
13 motor vehicle with a common fuel supply tank from which ~~diesel~~  
14 **MOTOR fuel OR ALTERNATIVE FUEL** is used both to propel the vehicle  
15 and to operate attached equipment may seek a refund for tax paid  
16 under this act on ~~diesel~~ **MOTOR fuel OR ALTERNATIVE FUEL** consumed  
17 from that fuel supply tank in an amount that is more than 15% of  
18 the tax paid if the operator provides evidence to the department  
19 that a refund or deduction of more than 15% is justified. The  
20 department shall determine the evidence that is necessary under  
21 this section to justify a refund of more than 15% of the tax paid.

22 (3) A refund provided under this section only applies to a  
23 motor vehicle that is used by the end user exclusively for business  
24 or other commercial purposes and does not apply to an automobile  
25 whether or not it is used by the end user for business or other  
26 commercial purposes.

27 (4) If the department determined before ~~the effective date of~~

~~this section~~ **APRIL 1, 2001** that a class of motor vehicles with attached equipment was eligible for a motor fuel refund in an amount different than 15% of the tax paid, that percentage ~~shall~~ **APPLIES** to those motor vehicles on and after ~~the effective date of this section~~ **APRIL 1, 2001** unless, following notice and hearing, a later determination under subsection (2) is made.

(5) As used in this section: ~~,"attached equipment"~~

**(A) "ALTERNATIVE FUEL" MEANS THAT TERM AS DEFINED IN SECTION 151.**

**(B) "ATTACHED EQUIPMENT"** means equipment used by the end user in the regular course of his or her business that is powered by ~~diesel~~ **MOTOR fuel OR ALTERNATIVE FUEL** from the common fuel supply tank. Attached equipment includes, but is not limited to, certain pumping, spraying, seeding, spreading, shredding, lifting, winching, dumping, cleaning, mixing, processing, and refrigeration equipment. Attached equipment does not include a heater, air conditioner, radio, or any other equipment that is used in the cab of the motor vehicle and does not include any other equipment that the department reasonably determines does not meet this definition.

Sec. 53. (1) A person shall not engage in a business activity in this state where a license is required by this act unless the person is licensed under this act.

(2) A person required to be licensed under this act shall apply for a license on a form or in a format prescribed by the department.

(3) An application for a license under this act may contain any information the department may reasonably require to administer

1 this act including the applicant's federal identification number.

2 (4) The following persons currently licensed on ~~the effective~~  
3 ~~date of this act~~ **APRIL 1, 2001** are not required to obtain a new  
4 license under this act and shall be considered licensed under this  
5 act:

6 (a) A person licensed in this state as a supplier on ~~the~~  
7 ~~effective date of this act~~ **APRIL 1, 2001** shall be considered  
8 licensed as a supplier under this act but only if the person is a  
9 terminal operator or a position holder in a terminal on ~~the~~  
10 ~~effective date of this act~~ **APRIL 1, 2001**.

11 (b) A wholesale distributor who on ~~the effective date of this~~  
12 ~~act~~ **APRIL 1, 2001** possesses a valid exemption certificate issued  
13 under former section 12 of 1927 PA 150 shall be considered licensed  
14 as a fuel vendor under this act.

15 (c) A person licensed in this state as an exporter on ~~the~~  
16 ~~effective date of this act~~ **APRIL 1, 2001** shall be considered  
17 licensed as an exporter under this act.

18 (d) A person licensed in this state as a liquid fuel hauler on  
19 ~~the effective date of this act~~ **APRIL 1, 2001** shall be considered  
20 licensed as a transporter under this act.

21 (e) A person licensed in this state as a retail dealer of  
22 diesel motor fuel on ~~the effective date of this act~~ **APRIL 1, 2001**  
23 shall be considered licensed as a retail diesel dealer under this  
24 act.

25 (5) A person considered licensed under subsection (4) is  
26 subject to all of the provisions of this act except those requiring  
27 an application for a new license.

1           (6) Except as otherwise provided in this act, a person who is  
2 engaged in more than 1 business activity for which a license is  
3 required under this act shall be licensed for each business  
4 activity.

5           (7) A person who is licensed as a supplier is not required to  
6 obtain a separate license for any other business activity for which  
7 a license is required under this act except as a retail diesel  
8 dealer or **AS an LPG-ALTERNATIVE FUEL dealer OR ALTERNATIVE FUEL**  
9 **COMMERCIAL USER** under sections 151 to 155.

10 ~~—— (8) A person licensed in this state as an LPG dealer on the~~  
11 ~~effective date of this act shall be considered licensed as an LPG~~  
12 ~~dealer under this act.~~

13           (8) ~~(9)~~ A person who negligently violates this section is  
14 subject to a civil penalty of \$1,000.00.

15           (9) ~~(10)~~ A person who knowingly violates or knowingly aids and  
16 abets another to violate this section is guilty of a felony.

17           Sec. 63. (1) If an application and the accompanying bond or  
18 cash deposit, if any, are approved, the department shall issue a  
19 license to the applicant.

20           (2) A licensee shall retain a copy of its license at each of  
21 its business locations unless the department waives this  
22 requirement.

23           (3) A licensee is not required to renew a license and a  
24 license is valid unless and until it is suspended, canceled, or  
25 revoked for cause by the department, or discontinued by the  
26 licensee. However, the department may require a licensee to update  
27 the information required under section 53 **OR 153**.

1           (4) The department shall maintain a list containing the name  
2 and address of each person licensed under this act. The department  
3 may post the list on the department's website. The department shall  
4 regularly update the list in order to reflect the current status of  
5 a licensee.

6           Sec. 122. (1) A person shall not operate or maintain a motor  
7 vehicle on the public roads or highways of this state with dyed  
8 diesel fuel in the vehicle's fuel supply tank.

9           (2) This section does not apply to dyed diesel fuel used in  
10 any of the following:

11           (a) A motor vehicle owned and operated or leased and operated  
12 by the federal or state government or a political subdivision of  
13 this state.

14           (b) A motor vehicle used exclusively by the American ~~red~~  
15 ~~cross~~. **RED CROSS.**

16           (c) An implement of husbandry.

17           (d) A passenger vehicle that has a capacity of 10 or more and  
18 that operates over regularly traveled routes expressly provided for  
19 in 1 or more of the following that applies to the passenger  
20 vehicle:

21           (i) A certificate of authority issued by the state  
22 transportation department.

23           (ii) A municipal franchise.

24           (iii) A municipal license.

25           (iv) A municipal permit.

26           (v) A municipal agreement.

27           (vi) A municipal grant.

(3) An owner, operator, or driver of a vehicle who uses dyed diesel fuel on the public roads or highways of this state is subject to a civil penalty of ~~\$200.00~~ **\$1,000.00** for each of the first ~~2 violations within a 12 month period. For a third violation within a 12 month period, and~~ **VIOLATION, AND A CIVIL PENALTY OF \$5,000.00** for each subsequent violation. ~~thereafter, the person is subject to a civil penalty of \$5,000.00.~~ An owner, operator, or driver of a motor vehicle who knowingly violates the prohibition against the sale or use of dyed diesel fuel upon the public roads or highways of this state is subject to a civil penalty equal to that imposed by section 6714 of the internal revenue code.

Sec. 143. (1) Except as otherwise provided in **SUBSECTION (2)** **OR IN** section 142, all sums of money received and collected under this act, except for license fees, and after the payment of the necessary expenses incurred in the enforcement of this act, are appropriated to and shall be deposited in the state treasury to the credit of the Michigan transportation fund **CREATED IN SECTION 10 OF 1951 PA 51, MCL 247.660.**

(2) **BEGINNING IN FISCAL YEAR 2016-2017 AND EACH FISCAL YEAR THEREAFTER, THE FIRST \$100,000,000.00 RECEIVED AND COLLECTED ATTRIBUTABLE TO TAXES IMPOSED UNDER SECTION 8(1) SHALL BE ANNUALLY DEPOSITED INTO THE STATE TREASURY TO THE CREDIT OF THE ROADS INNOVATION FUND CREATED IN SECTION 1J OF 1951 PA 51, MCL 247.651J. HOWEVER, ONCE THE FUNDS ARE RELEASED BY THE 1-TIME CONCURRENT RESOLUTION REQUIRED UNDER SECTION 1J OF 1951 PA 51, MCL 247.651J, FUNDS SHALL NO LONGER BE ANNUALLY DEPOSITED INTO THE ROADS INNOVATION FUND UNDER THIS SUBSECTION.**

1       Sec. 151. As used in this section and sections 152 to 155:

2       (A) "ALTERNATIVE FUEL" MEANS A GAS, LIQUID, OR OTHER FUEL  
3       THAT, WITH OR WITHOUT ADJUSTMENT OR MANIPULATION SUCH AS ADJUSTMENT  
4       OR MANIPULATION OF PRESSURE OR TEMPERATURE, IS CAPABLE OF BEING  
5       USED FOR THE GENERATION OF POWER TO PROPEL A MOTOR VEHICLE,  
6       INCLUDING, BUT NOT LIMITED TO, NATURAL GAS, COMPRESSED NATURAL GAS,  
7       LIQUEFIED NATURAL GAS, LIQUEFIED PETROLEUM GAS, HYDROGEN, HYDROGEN  
8       COMPRESSED NATURAL GAS, OR HYTHANE. ALTERNATIVE FUEL DOES NOT  
9       INCLUDE MOTOR FUEL, ELECTRICITY, LEADED RACING FUEL, OR AN EXCLUDED  
10      LIQUID.

11      (B) "ALTERNATIVE FUEL COMMERCIAL USER" MEANS A COMMERCIAL OR  
12      OTHER BUSINESS ENTERPRISE OR ENTITY THAT IS A CONSUMER OR END USER  
13      OF ALTERNATIVE FUEL TO PROPEL A MOTOR VEHICLE ON THE PUBLIC ROADS  
14      AND HIGHWAYS OF THIS STATE. ALTERNATIVE FUEL COMMERCIAL USER DOES  
15      NOT INCLUDE A PERSON LICENSED AS AN ALTERNATIVE FUEL DEALER UNDER  
16      SECTION 153.

17      (C) "ALTERNATIVE FUEL DEALER" MEANS A PERSON THAT IS LICENSED  
18      OR REQUIRED TO BE LICENSED UNDER SECTION 153, THAT IS IN THE  
19      BUSINESS OF SELLING AT RETAIL ALTERNATIVE FUEL, AND THAT USES  
20      ALTERNATIVE FUEL AS DESCRIBED IN SUBDIVISION (J).

21      (D) "ALTERNATIVE FUEL FILLING STATION" MEANS A MACHINE OR  
22      OTHER DEVICE LOCATED WITHIN THIS STATE THAT IS SUPPLIED WITH  
23      ALTERNATIVE FUEL AND THAT IS DESIGNED OR USED FOR PLACING OR  
24      DELIVERING ALTERNATIVE FUEL INTO THE FUEL SUPPLY TANK OF A MOTOR  
25      VEHICLE. AS USED IN THIS SUBDIVISION, "LOCATED WITHIN THIS STATE"  
26      INCLUDES, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING LOCATIONS:

27      (i) AN ALTERNATIVE FUEL DEALER'S PLACE OF BUSINESS.

1 (ii) A COMMERCIAL OR INDUSTRIAL ESTABLISHMENT OR FACILITY.

2 (iii) A RESIDENCE OR RESIDENTIAL PROPERTY.

3 (iv) A LANDFILL LICENSED OR REQUIRED TO BE LICENSED UNDER PART  
4 115 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994  
5 PA 451, MCL 324.11501 TO 324.11554.

6 (E) "BRITISH THERMAL UNIT" OR "BTU" MEANS THE AMOUNT OF HEAT  
7 REQUIRED TO RAISE THE TEMPERATURE OF 1 POUND OF WATER 1 DEGREE  
8 FAHRENHEIT.

9 (F) "COMPRESSED NATURAL GAS" MEANS A MIXTURE OF HYDROCARBON  
10 GASES AND VAPORS THAT CONSISTS PRIMARILY OF METHANE IN GASEOUS FORM  
11 THAT HAS BEEN COMPRESSED FOR USE AS A FUEL TO PROPEL A MOTOR  
12 VEHICLE.

13 (G) "GALLON EQUIVALENT" MEANS 1 OF THE FOLLOWING OR ITS METRIC  
14 EQUIVALENT:

15 (i) FOR COMPRESSED NATURAL GAS, 5.660 POUNDS OR 126.67 CUBIC  
16 FEET AT 60 DEGREES FAHRENHEIT AND 1 ATMOSPHERE OF PRESSURE.

17 (ii) FOR HYDROGEN, THE VOLUME OR WEIGHT THAT IS EQUAL TO  
18 128,450 BTUS. FOR PURPOSES OF THIS SUBDIVISION, THERE ARE 27,000  
19 BTUS PER 100 STANDARD CUBIC FEET, AND 480.11 STANDARD CUBIC FEET  
20 PER GALLON EQUIVALENT.

21 (iii) FOR HYDROGEN COMPRESSED NATURAL GAS, THE VOLUME OR  
22 WEIGHT THAT IS EQUAL TO 128,450 BTUS. FOR PURPOSES OF THIS  
23 SUBDIVISION, THERE ARE 79,800 BTUS PER 100 STANDARD CUBIC FEET, AND  
24 162.44 STANDARD CUBIC FEET PER GALLON EQUIVALENT.

25 (iv) FOR LIQUEFIED NATURAL GAS, 6.060 POUNDS.

26 (H) "LIQUEFIED NATURAL GAS" MEANS METHANE OR NATURAL GAS IN  
27 THE FORM OF A CRYOGENIC OR REFRIGERATED LIQUID THAT IS SUITABLE FOR

1 **USE OR USED AS FUEL TO PROPEL A MOTOR VEHICLE.**

2 (I) ~~(a)~~ "Liquefied petroleum gas" means gases derived from  
 3 petroleum or natural gases ~~which~~ **THAT** are in the gaseous state at  
 4 normal atmospheric temperature and pressure, but ~~which~~ **THAT** may be  
 5 maintained in the liquid state at normal atmospheric temperature by  
 6 suitable pressure. Liquefied petroleum gas includes ~~these~~ products  
 7 predominately composed of propane, propylene, butylene, butane, and  
 8 similar products. **LIQUEFIED PETROLEUM GAS DOES NOT INCLUDE**  
 9 **COMPRESSED NATURAL GAS, LIQUEFIED NATURAL GAS, HYDROGEN, OR**  
 10 **HYTHANE.**

11 ~~—— (b) "LPG dealer" means a person who is licensed under this~~  
 12 ~~chapter to use liquefied petroleum gas.~~

13 (J) ~~(e)~~ "Use", "used", or "uses" means any of the following:

14 (i) Selling or delivering ~~liquefied petroleum gas~~ **ALTERNATIVE**  
 15 **FUEL** not otherwise subject to tax under this act, either by placing  
 16 it into a permanently attached fuel supply tank of a motor vehicle,  
 17 or exchanging or replacing of the fuel supply tank of a motor  
 18 vehicle.

19 (ii) Delivery of ~~liquefied petroleum gas~~ **ALTERNATIVE FUEL** into  
 20 storage, devoted exclusively to the storage of ~~liquefied petroleum~~  
 21 ~~gas~~ **ALTERNATIVE FUEL** to be consumed in motor vehicles on the public  
 22 roads or highways **OF THIS STATE.**

23 (iii) Withdrawing ~~liquefied petroleum gas~~ **ALTERNATIVE FUEL**  
 24 from the cargo tank of a truck, trailer or semi-trailer for the  
 25 operation of a motor vehicle upon the public roads and highways of  
 26 this state, whether used in vapor or liquid form.

27 (iv) **PLACING OR DELIVERING ALTERNATIVE FUEL INTO THE FUEL**

1 SUPPLY TANK OF A MOTOR VEHICLE BY OR THROUGH THE OPERATION OF AN  
 2 ALTERNATIVE FUEL FILLING STATION, EXCHANGING OR REPLACING AN  
 3 ALTERNATIVE FUEL SUPPLY TANK OF A MOTOR VEHICLE WITH ANOTHER  
 4 ALTERNATIVE FUEL SUPPLY TANK OF A MOTOR VEHICLE FILLED WITH  
 5 ALTERNATIVE FUEL, OR BY ANY OTHER MEANS NOT INVOLVING THE DELIVERY,  
 6 RECEIPT, OR PURCHASE OF ALTERNATIVE FUEL FROM AN ALTERNATIVE FUEL  
 7 DEALER OR ANY OTHER MEANS NOT OTHERWISE DESCRIBED IN SUBPARAGRAPHS  
 8 (i) TO (iii).

9 Sec. 152. (1) ~~A~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION  
 10 AND SECTIONS 154 AND 155, A tax at a ~~THE~~ rate of ~~15 cents~~ per  
 11 gallon EQUAL TO THE TAX ON MOTOR FUEL is imposed upon all liquefied  
 12 ~~petroleum gas~~ ALTERNATIVE FUEL used in this state. The ~~EXCEPT AS~~  
 13 PROVIDED IN SECTION 154 OR 155, THE tax shall be paid at the times  
 14 and in the manner specified in this section. The tax on liquefied  
 15 ~~petroleum gas~~ ALTERNATIVE fuel sold or delivered either by placing  
 16 IT into a permanently attached fuel supply tank on a motor vehicle,  
 17 or BY exchanging or replacing the fuel supply tank of a motor  
 18 vehicle, shall be collected by the ~~LPG~~ ALTERNATIVE FUEL dealer from  
 19 the purchaser, CONSUMER, OR END USER and paid over ~~quarterly~~  
 20 MONTHLY to the department as provided in this act. Liquefied  
 21 ~~petroleum gas~~ ALTERNATIVE fuel delivered in this state into the  
 22 storage facility of any person when the exclusive purpose of the  
 23 storage facility is for resale or use in a motor vehicle on the  
 24 public roads or highways of this state, shall, upon delivery to  
 25 storage facility, be subject to tax. An ~~LPG~~ ALTERNATIVE FUEL dealer  
 26 shall, upon delivery of the ~~liquefied petroleum gas~~, ALTERNATIVE  
 27 FUEL, collect and remit the tax to the department as provided in

1 this act. A person shall not operate a motor vehicle on the public  
 2 roads or highways of this state from the cargo containers of a  
 3 truck, trailer, or semitrailer with ~~liquefied petroleum gas~~  
 4 **ALTERNATIVE FUEL** in vapor or liquid form, **AS APPLICABLE**, except  
 5 when the **ALTERNATIVE** fuel in the liquid or vapor phase is withdrawn  
 6 from the cargo container for use in motor vehicles through a  
 7 permanently installed and approved metering device. The tax on  
 8 ~~liquefied petroleum gas~~ **ALTERNATIVE FUEL** withdrawn from a cargo  
 9 container through a permanently installed and approved metering  
 10 device shall apply in accordance with measured gallons **OR GALLON**  
 11 **EQUIVALENTS, IF APPLICABLE**, as reflected by meter reading, and  
 12 shall be paid ~~quarterly~~ **MONTHLY** by the ~~LPG~~ **ALTERNATIVE FUEL** dealer  
 13 to the department as provided in this act.

14 (2) THE RATE OF TAX ON THE FOLLOWING ALTERNATIVE FUELS SHALL  
 15 BE EQUAL TO THE TAX ON MOTOR FUEL PER GALLON EQUIVALENT OR  
 16 FRACTIONAL PART THEREOF ROUNDED TO THE NEAREST 1/10 OF 1 GALLON:

17 (A) COMPRESSED NATURAL GAS.

18 (B) HYDROGEN.

19 (C) HYDROGEN COMPRESSED NATURAL GAS.

20 (D) LIQUEFIED NATURAL GAS.

21 (3) THE TAX IMPOSED UNDER THIS SECTION DOES NOT APPLY TO AN  
 22 ALTERNATIVE FUEL COMMERCIAL USER DESCRIBED IN SECTION 154(2) UNTIL  
 23 JANUARY 1, 2017.

24 (4) THE TAX IMPOSED UNDER THIS SECTION DOES NOT APPLY TO A  
 25 PERSON DESCRIBED IN SECTION 154(3) UNTIL JANUARY 1, 2018.

26 Sec. 153. (1) A person shall not act as an ~~LPG~~ **ALTERNATIVE**  
 27 **FUEL** dealer **OR AN ALTERNATIVE FUEL COMMERCIAL USER** unless the

1 person is licensed under this act.

2 (2) To obtain a license **AS AN ALTERNATIVE FUEL DEALER OR AN**  
 3 **ALTERNATIVE FUEL COMMERCIAL USER**, an applicant shall file with the  
 4 department an application upon a form or in a format prescribed by  
 5 the department. The application shall include the name and address  
 6 of the applicant and of each place of business to be operated by  
 7 the applicant at which ~~liquefied petroleum gas~~ **ALTERNATIVE FUEL**  
 8 will be used and other information the department may reasonably  
 9 require.

10 (3) At the time of applying for the license, an applicant **FOR**  
 11 **AN ALTERNATIVE FUEL DEALER LICENSE** shall pay to the department a  
 12 license fee of ~~\$50.00~~ **\$500.00**.

13 (4) **AT THE TIME OF APPLYING FOR THE LICENSE, AN APPLICANT FOR**  
 14 **AN ALTERNATIVE FUEL COMMERCIAL USER LICENSE SHALL PAY TO THE**  
 15 **DEPARTMENT A LICENSE FEE OF \$50.00.**

16 (5) ~~(4)~~ An applicant for an ~~LPG dealer~~ **A license OR A LICENSEE**  
 17 **UNDER THIS SECTION** is subject to the general licensing and bonding  
 18 requirements of this act.

19 ~~— (5) A person licensed in this state as an LPG dealer on the~~  
 20 ~~effective date of this act shall be considered licensed as an LPG~~  
 21 ~~dealer under this act.~~

22 Sec. 154. (1) For the purpose of determining the amount of tax  
 23 payable to the department, an ~~LPG~~ **ALTERNATIVE FUEL** dealer shall, on  
 24 or before the twentieth day of each ~~calendar month, following the~~  
 25 ~~close of the reporting calendar quarter,~~ file with the department  
 26 on a form or in a format prescribed by the department a report  
 27 ~~which shall include~~ **THAT INCLUDES** the number of gallons **OR GALLON**

1 ~~EQUIVALENTS, IF APPLICABLE, of liquefied petroleum gas~~ **ALTERNATIVE**  
2 **FUEL** used by the ~~LPG~~ **ALTERNATIVE FUEL** dealer during the preceding  
3 calendar ~~quarter,~~ **MONTH**, together with any other information the  
4 department may require. An ~~LPG~~ **ALTERNATIVE FUEL** dealer ~~at the time~~  
5 ~~of filing the report~~ shall pay to the department at the time of  
6 filing the report the full amount of the tax owed.

7 (2) BEGINNING ON JANUARY 1, 2017, FOR THE PURPOSE OF  
8 DETERMINING THE AMOUNT OF TAX OWED TO THE DEPARTMENT, AN  
9 ALTERNATIVE FUEL COMMERCIAL USER THAT USES ALTERNATIVE FUEL AS  
10 DESCRIBED IN SECTION 151(J) UPON WHICH THE TAX IMPOSED UNDER  
11 SECTION 152 HAS NOT BEEN COLLECTED BY OR PAID TO AN ALTERNATIVE  
12 FUEL DEALER SHALL, ON OR BEFORE THE TWENTIETH DAY OF EACH MONTH,  
13 FILE WITH THE DEPARTMENT A REPORT THAT INCLUDES THE NUMBER OF  
14 GALLONS OR GALLON EQUIVALENTS, IF APPLICABLE, OF THE ALTERNATIVE  
15 FUEL DESCRIBED IN THIS SUBSECTION THAT WAS USED OR CONSUMED BY THE  
16 ALTERNATIVE FUEL COMMERCIAL USER DURING THE PRECEDING CALENDAR  
17 MONTH, TOGETHER WITH ANY OTHER INFORMATION THE DEPARTMENT REQUIRES.  
18 AN ALTERNATIVE FUEL COMMERCIAL USER SHALL PAY THE FULL AMOUNT OF  
19 THE TAX DUE TO THE DEPARTMENT AT THE TIME OF FILING THE REQUIRED  
20 REPORT.

21 (3) BEGINNING ON JANUARY 1, 2018, FOR THE PURPOSE OF  
22 DETERMINING THE AMOUNT OF TAX OWED TO THE DEPARTMENT, A PERSON THAT  
23 IS NOT AN ALTERNATIVE FUEL DEALER OR AN ALTERNATIVE FUEL COMMERCIAL  
24 USER SHALL PAY THE TAX IMPOSED UNDER SECTION 152 ON ALTERNATIVE  
25 FUEL PLACED INTO A MOTOR VEHICLE FUEL SUPPLY TANK FROM AN  
26 ALTERNATIVE FUEL FILLING STATION FOR WHICH THE TAX HAS NOT BEEN  
27 COLLECTED BY OR PAID TO AN ALTERNATIVE FUEL DEALER, AND SHALL FILE

1 WITH THE DEPARTMENT ON OR BEFORE THE TWENTIETH DAY FOLLOWING THE  
 2 END OF EACH QUARTER A FORM THAT INDICATES THE NUMBER OF GALLONS OR  
 3 GALLON EQUIVALENTS, IF APPLICABLE, USED OR CONSUMED BY THAT PERSON  
 4 DURING THE PRECEDING CALENDAR QUARTER. A PERSON DESCRIBED IN THIS  
 5 SUBSECTION SHALL PAY TO THE DEPARTMENT THE FULL AMOUNT OF THE TAX  
 6 DUE AT THE TIME OF FILING THE REQUIRED FORM.

7 (4) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A PERSON  
 8 THAT USES ALTERNATIVE FUEL FOR A TAXABLE PURPOSE AND DOES NOT PAY  
 9 THE TAX IMPOSED UNDER THIS SECTION SHALL PAY TO THE DEPARTMENT THE  
 10 TAX IMPOSED UNDER SECTION 152, ALONG WITH ANY APPLICABLE PENALTIES  
 11 OR INTEREST, AT THE TIME AND IN THE MANNER PRESCRIBED BY THE  
 12 DEPARTMENT.

13 Sec. 155. ~~(1) Each of the following persons is entitled to a~~  
 14 ~~refund of the tax on liquefied petroleum gas imposed by this act.~~

15 (1) ~~(a) A person consuming liquefied petroleum gas~~ **ALTERNATIVE**  
 16 **FUEL** for any purpose other than ~~the operation of~~ **TO OPERATE** a motor  
 17 vehicle on the public roads or highways of this state **MAY SEEK A**  
 18 **REFUND OF THE TAX ON ALTERNATIVE FUEL IMPOSED BY THIS ACT,**  
 19 **INCLUDING A REFUND AS PROVIDED IN SECTION 45, IF THAT PERSON HAS**  
 20 **ALREADY PAID THE TAX IMPOSED UNDER SECTION 152 ON THAT ALTERNATIVE**  
 21 **FUEL.**

22 ~~— (b) The federal government, state government, or a political~~  
 23 ~~subdivision of this state consuming liquefied petroleum gas in a~~  
 24 ~~motor vehicle owned and operated or leased and operated by the~~  
 25 ~~federal government, state government, or political subdivision of~~  
 26 ~~this state.~~

27 ~~— (c) A person consuming liquefied petroleum gas in the~~

~~operation of a passenger vehicle of a capacity of 5 or more under a  
municipal franchise, license, permit, agreement, or grant, upon  
which gas the tax imposed by this section has been paid.~~

(2) To obtain a refund **UNDER THIS SECTION**, a person shall file a claim with the department within 18 months after the date of purchase, as shown on the invoice and shall comply with the requirements set forth in section 48.

(3) A claim for refund **UNDER THIS SECTION** shall be on a form or in a format prescribed by the department and shall have attached the original invoice that was provided to the purchaser.

**(4) AN ALTERNATIVE FUEL IS EXEMPT FROM THE TAX IMPOSED BY THIS ACT AND THE TAX IMPOSED BY THIS ACT SHALL NOT BE COLLECTED BY AN ALTERNATIVE FUEL DEALER IF ANY OF THE FOLLOWING APPLY:**

**(A) THE ALTERNATIVE FUEL IS SOLD DIRECTLY BY AN ALTERNATIVE FUEL DEALER TO THE FEDERAL GOVERNMENT, THE STATE GOVERNMENT, OR A POLITICAL SUBDIVISION OF THIS STATE FOR USE IN A MOTOR VEHICLE OWNED AND OPERATED OR LEASED AND OPERATED BY THE FEDERAL GOVERNMENT, STATE GOVERNMENT, OR POLITICAL SUBDIVISION OF THIS STATE.**

**(B) THE ALTERNATIVE FUEL IS SOLD DIRECTLY BY AN ALTERNATIVE FUEL DEALER TO A NONPROFIT, PRIVATE, PAROCHIAL, OR DENOMINATIONAL SCHOOL, COLLEGE, OR UNIVERSITY AND IS USED IN A SCHOOL BUS OWNED AND OPERATED OR LEASED AND OPERATED BY THE EDUCATIONAL INSTITUTION THAT IS USED IN THE TRANSPORTATION OF STUDENTS TO AND FROM THE INSTITUTION OR TO AND FROM SCHOOL FUNCTIONS AUTHORIZED BY THE ADMINISTRATION OF THE INSTITUTION.**

**(C) THE ALTERNATIVE FUEL IS IMPORTED INTO THIS STATE IN THE**

1 FUEL SUPPLY TANK OF A MOTOR VEHICLE USED SOLELY FOR NONCOMMERCIAL  
2 PURPOSES, IF THE AGGREGATE CAPACITY OF THE MOTOR VEHICLE'S FUEL  
3 SUPPLY TANK DOES NOT EXCEED 30 GALLONS OR THE EQUIVALENT OF 30  
4 GALLONS.

5 (5) BOTH OF THE FOLLOWING ARE EXEMPT FROM THE TAX ON  
6 ALTERNATIVE FUEL IMPOSED BY THIS ACT:

7 (A) THE FEDERAL GOVERNMENT, STATE GOVERNMENT, OR A POLITICAL  
8 SUBDIVISION OF THIS STATE CONSUMING ALTERNATIVE FUEL IN A MOTOR  
9 VEHICLE OWNED AND OPERATED OR LEASED AND OPERATED BY THE FEDERAL  
10 GOVERNMENT, STATE GOVERNMENT, OR A POLITICAL SUBDIVISION OF THIS  
11 STATE.

12 (B) A NONPROFIT, PRIVATE, PAROCHIAL, OR DENOMINATIONAL SCHOOL,  
13 COLLEGE, OR UNIVERSITY CONSUMING ALTERNATIVE FUEL IN A SCHOOL BUS  
14 OWNED AND OPERATED OR LEASED AND OPERATED BY THE INSTITUTION WHEN  
15 THE ALTERNATIVE FUEL IS CONSUMED BY THE SCHOOL BUS WHILE  
16 TRANSPORTING STUDENTS TO AND FROM THE INSTITUTION OR TO AND FROM  
17 SCHOOL FUNCTIONS AUTHORIZED BY THE ADMINISTRATION OF THE  
18 INSTITUTION.

19 (6) ~~(4) A person who~~ THAT sells ~~liquefied petroleum gas~~  
20 ALTERNATIVE FUEL shall provide the purchaser with an invoice OR  
21 RECEIPT showing the amount EXPRESSED IN GALLONS OR GALLON  
22 EQUIVALENTS, AS APPLICABLE, of ~~gas~~ ALTERNATIVE FUEL purchased, the  
23 date of purchase, and the amount of tax paid.

24 (7) AN ALTERNATIVE FUEL DEALER THAT SELLS ALTERNATIVE FUEL AT  
25 RETAIL SHALL CLEARLY LIST IN PLAIN VIEW OF THE CUSTOMER THE PRICE  
26 OF THE ALTERNATIVE FUEL IN GALLON EQUIVALENTS, AS APPLICABLE, ON  
27 THE ALTERNATIVE FUEL FILLING STATION AND ANY OTHER MARKINGS OR

1 INFORMATION REQUIRED BY LAW.

2 (8) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A PERSON  
3 THAT USES OR CONSUMES ALTERNATIVE FUEL FOR A TAXABLE PURPOSE AND  
4 DOES NOT PAY THE TAX IMPOSED UNDER SECTION 154 IS LIABLE FOR THE  
5 PAYMENT OF THAT TAX AND SHALL PAY TO THE DEPARTMENT THE TAX IMPOSED  
6 UNDER SECTION 152 AND ANY APPLICABLE PENALTIES OR INTEREST, AT THE  
7 TIME AND IN THE MANNER PRESCRIBED BY THE DEPARTMENT.

8 Enacting section 1. Section 38 of the motor fuel tax act, 2000  
9 PA 403, MCL 207.1038, is repealed.

10 Enacting section 2. This amendatory act takes effect January  
11 1, 2017.

12 Enacting section 3. This amendatory act does not take effect  
13 unless all of the following bills of the 98th Legislature are  
14 enacted into law:

- 15 (a) Senate Bill No. 414.  
16 (b) House Bill No. 4370.  
17 (c) House Bill No. 4614.  
18 (d) House Bill No. 4616.  
19 (e) House Bill No. 4736.  
20 (f) House Bill No. 4737.