

**SUBSTITUTE FOR
HOUSE BILL NO. 4615**

A bill to amend 2000 PA 403, entitled
"Motor fuel tax act,"
by amending sections 2, 3, 8, 22, 40, 45, 53, 63, 122, 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, 207.1151,
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.

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.
- 4 (b) "Blendstock" means and includes any petroleum product
- 5 component of motor fuel, such as naphtha, reformat, or toluene; or

1 any oxygenate that can be blended for use in a motor fuel.

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

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

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

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

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22 withdrawn by a tank wagon, a transport truck, or a marine vessel.

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

27 (i) A marine vessel movement of motor fuel from a refinery or

1 terminal to a terminal.

2 (ii) Pipeline movements of motor fuel from a refinery or
3 terminal to a terminal.

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

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

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

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

23 (k) "Commercial motor vehicle" means a motor vehicle licensed
24 **AS A QUALIFIED COMMERCIAL MOTOR VEHICLE** under the motor carrier
25 fuel tax act, 1980 PA 119, MCL 207.211 to 207.234, **OR A MOTOR**
26 **VEHICLE LICENSED UNDER AN INTERNATIONAL FUEL TAX AGREEMENT UNDER**
27 **SECTION 2A OF THE MOTOR CARRIER FUEL TAX ACT, 1980 PA 119, MCL**

1 207.212A.

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

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

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

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

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

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

1 the propulsion of a diesel-powered engine, airplane, or marine
 2 vessel. An additive or blendstock is presumed to be sold for
 3 blending unless a certification is obtained for federal purposes
 4 that the substance is for a use other than blending for diesel
 5 fuel. Diesel fuel does not include an excluded liquid.

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

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

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

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

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

21 Sec. 3. As used in this act:

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

25 (b) "Fuel grade ethanol" means the American society for
 26 testing and materials standard in effect on ~~the effective date of~~
 27 ~~this act~~ **APRIL 1, 2001** as the D-4806 specification for denatured

1 fuel grade ethanol for blending with gasoline.

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

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

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

18 (f) "Gasoline" means ~~and includes~~ gasoline, alcohol, gasohol,
19 casing head or natural gasoline, benzol, benzine, naphtha, and any
20 blendstock additive, or other product including methanol that is
21 sold for blending with gasoline or for use on the road other than
22 products typically sold in containers of less than 5 gallons.
23 Gasoline also includes a liquid prepared, advertised, offered for
24 sale, sold for use as, or used in the generation of power for the
25 propulsion of a motor vehicle, airplane, or marine vessel,
26 including a product obtained by blending together any 1 or more
27 products of petroleum, with or without another product, and

1 regardless of the original character of the petroleum products
2 blended, if the product obtained by the blending is capable of use
3 in the generation of power for the propulsion of a motor vehicle,
4 airplane, or marine vessel. The blending of all of the above named
5 products, regardless of their name or characteristics, shall
6 conclusively be presumed to have been done to produce motor fuel,
7 unless the product obtained by the blending is entirely incapable
8 of use as motor fuel. Gasoline also includes transmix. Gasoline
9 does not include diesel fuel or leaded racing fuel. An additive or
10 blendstock is presumed to be sold for blending unless a
11 certification is obtained for federal purposes that the substance
12 is for a use other than blending for gasoline.

13 (g) "Gross gallons" means the total measured product,
14 exclusive of any temperature or pressure adjustments,
15 considerations, or deductions, in gallons.

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

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

25 (I) ~~(j)~~ "Import" means to bring motor fuel into this state by
26 motor vehicle, marine vessel, pipeline, or any other means.

27 ~~However, import~~ **IMPORT** does not include bringing motor fuel into

1 this state in the fuel supply tank of a motor vehicle if the motor
2 fuel is used to power that motor vehicle. Motor fuel delivered into
3 this state from outside of this state by or for the seller
4 constitutes an import by the seller, and motor fuel delivered into
5 this state from ~~out~~ **OUTSIDE** of this state by or for the purchaser
6 constitutes an import by the purchaser.

7 (J) ~~(k)~~ "Importer" means a person who imports motor fuel into
8 this state.

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

14 (I) **"INFLATION RATE" MEANS THE ANNUAL PERCENTAGE CHANGE IN THE**
15 **CONSUMER PRICE INDEX, AS DETERMINED BY THE DEPARTMENT, COMPARING**
16 **THE 2 MOST RECENT JULY 1 THROUGH JUNE 30 PERIODS THAT ARE**
17 **IMMEDIATELY PRECEDING THE EFFECTIVE DATE OF THE RATE PRESCRIBED**
18 **UNDER SECTION 8(1)(C), CONVERTED TO DECIMALS. IF THE ANNUAL**
19 **PERCENTAGE CHANGE IS NEGATIVE, THEN THE INFLATION RATE IS 0.**

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

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

25 Sec. 8. (1) ~~Subject~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS ACT**
26 **AND SUBJECT** to the exemptions provided for in this act, tax is
27 imposed on motor fuel imported into or sold, delivered, or used in

1 this state at the following rates:

2 (a) Except as otherwise provided in subdivision (c), 19 cents
3 per gallon on gasoline.

4 (b) Except as otherwise provided in subdivision ~~(d)~~, **(C)**, **AT**
5 **THE FOLLOWING RATE:**

6 **(i) THROUGH SEPTEMBER 30, 2015, 15 cents per gallon on diesel**
7 **fuel.**

8 **(ii) BEGINNING OCTOBER 1, 2015, 19 CENTS PER GALLON ON DIESEL**
9 **FUEL.**

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

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

24 **(C) BEGINNING WITH THE RATE EFFECTIVE ON OCTOBER 1, 2016 AND**
25 **OCTOBER 1 OF EACH YEAR THEREAFTER, THE DEPARTMENT SHALL DETERMINE A**
26 **CENTS-PER-GALLON RATE ON MOTOR FUEL THAT SHALL BE DERIVED BY**
27 **MULTIPLYING THE CENTS PER GALLON RATE IN EFFECT DURING THE**

1 IMMEDIATELY PRECEDING FISCAL YEAR BY 1 PLUS THE LESSER OF 0.05 OR
2 THE INFLATION RATE AND ROUNDING UP THE PRODUCT TO THE NEAREST 1/10
3 OF A CENT.

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

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

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

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

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

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

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

26 (d) That the tax imposed by this act be collected and paid at
27 those times, in the manner, and by those persons specified in this

1 act.

2 (6) Bills of lading and invoices shall identify the blended
3 product and the correct fuel product code. The motor fuel tax rate
4 for each product shall be listed separately on each invoice.
5 Licensees shall report the correct fuel product code for the
6 blended product as required by the department. When fuel is blended
7 below the terminal rack, new bills of lading and invoices shall be
8 generated and submitted to the department upon request. All bills
9 of lading and invoices shall meet the requirements provided under
10 this act.

11 (7) Notwithstanding any other provision of this act, ~~all~~
12 ~~facilities~~ **A FACILITY** in this state that ~~produce~~ **PRODUCES** motor
13 fuel and ~~distribute~~ **DISTRIBUTES** the fuel from a rack for purposes
14 of this act ~~are~~ **IS** a terminal, and shall obtain a terminal operator
15 license, and shall comply with all terminal operator reporting
16 requirements under this act. ~~All~~ **A** position holders **HOLDER** in these
17 ~~facilities~~ **A FACILITY** shall be licensed as a supplier and shall
18 comply with all supplier requirements under this act.

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

~~1 (a) The refund shall be claimed on a form prescribed by the
2 department.~~

~~3 (b) The refund shall apply only to:~~

~~4 (i) Previously taxed gasoline containing at least 70% ethanol
5 or diesel fuel containing at least 5% biodiesel in excess of 3,000
6 gallons held in storage by an end user.~~

~~7 (ii) Previously taxed gasoline containing at least 70% ethanol
8 or diesel fuel containing at least 5% biodiesel held for sale that
9 is in excess of dead storage.~~

~~10 (9) A refund request shall be filed within 60 days after the
11 last day of the month in which the amendatory act that added this
12 subsection took effect. A taxpayer shall provide documentation that
13 the department requires in order to verify the request for refund.
14 A person who may claim a refund under subsection (8) shall do all
15 of the following to claim the refund:~~

~~16 (a) Not later than 12 a.m. on the effective date of the
17 amendatory act that added this subsection, take an inventory of
18 gasoline containing at least 70% ethanol or undyed diesel fuel
19 containing at least 5% biodiesel.~~

~~20 (b) Deduct 3,000 gallons if the person claiming the refund is
21 an end user.~~

~~22 (c) Deduct the number of gallons in dead storage if the
23 gasoline containing at least 70% ethanol or the undyed diesel fuel
24 containing at least 5% biodiesel is held for subsequent sale.~~

~~25 (10) Beginning on the effective date of the amendatory act
26 that added this subsection, the state treasurer shall annually
27 determine, for the 12-month period ending May 1 and for any~~

~~1 additional times that the treasurer may determine, the difference
2 between the amount of motor fuel tax collected and the amount of
3 motor fuel tax that would have been collected but for the
4 differential rates on gasoline pursuant to subsection (1)(c) and
5 biodiesel pursuant to subsection (1)(d). Subsection (1)(c) and (d)
6 is no longer effective the earlier of 10 years after the effective
7 date of the amendatory act that added this subsection or the first
8 day of the first month that is not less than 90 days after the
9 state treasurer certifies that the total cumulative rate
10 differential from the effective date of this amendatory act is
11 greater than \$2,500,000.00.~~

~~12 — (11) The legislature shall annually appropriate to the
13 Michigan transportation fund created in 1951 PA 51, MCL 247.651 to
14 247.675, the amount determined as the rate differential certified
15 by the state treasurer for the 12 month period ending on May 1 of
16 the calendar year in which the fiscal year begins. Subsection
17 (1)(c) and (d) shall not be effective beginning January of any
18 fiscal year for which the appropriation required under this
19 subsection has not been made by the first day of the fiscal year.~~

~~20 — (12) As used in this section:~~

~~21 — (a) "Biodiesel" means a fuel composed of mono-alkyl esters of
22 long chain fatty acids derived from vegetable oils or animal fats
23 and, in accordance with standards specified by the American society
24 for testing and materials, designated B100 and meeting the
25 requirements of D 6751, as approved by the department of
26 agriculture.~~

~~27 — (b) "Ethanol" means denatured fuel ethanol that is suitable~~

1 ~~for use in a spark ignition engine when mixed with gasoline so long~~
2 ~~as the mixture meets the American society for testing and materials~~
3 ~~D-5798 specifications.~~

4 (8) BEGINNING WITH THE RATE IN EFFECT ON OCTOBER 1, 2016 AND
5 OCTOBER 1 OF EACH YEAR THEREAFTER, THE DEPARTMENT SHALL PUBLISH
6 NOTICE OF THE TAX RATE UNDER THIS SECTION NOT LATER THAN 30 DAYS
7 BEFORE THE EFFECTIVE DATE OF THE RATE.

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

13 Sec. 22. (1) The tax imposed on gasoline shall be in lieu of
14 all other taxes imposed or to be imposed upon the sale or use of
15 gasoline by ~~the~~ **THIS** state or any political subdivision of this
16 state except for the taxes imposed by the general sales tax act,
17 1933 PA 167, MCL 205.51 to 205.78, and the use tax act, 1937 PA 94,
18 MCL 205.91 to 205.111.

19 (2) The tax imposed on diesel fuel **AND ALTERNATIVE FUEL** shall
20 be imposed in lieu of all other taxes imposed or to be imposed upon
21 the sale or use of diesel fuel **OR ALTERNATIVE FUEL** by ~~the~~ **THIS**
22 state or a political subdivision of ~~the~~ **THIS** state, except the
23 taxes imposed by the general sales tax act, 1933 PA 167, MCL 205.51
24 to 205.78, the use tax act, 1937 PA 94, MCL 205.91 to 205.111, and
25 the motor carrier fuel tax act, 1980 PA 119, MCL 207.211 to
26 207.234. The exception for taxes imposed by **THE GENERAL SALES TAX**
27 **ACT**, 1933 PA 167, **MCL 205.51 TO 205.78**, and **THE USE TAX ACT**, 1937

1 PA 94, ~~shall~~ **MCL 205.91 TO 205.111, DOES** not apply to diesel fuel
2 used in passenger vehicles of a capacity of 10 or more operated for
3 hire under a certificate issued by the state transportation
4 department. **AS USED IN THIS SUBSECTION, "ALTERNATIVE FUEL" MEANS**
5 **THAT TERM AS DEFINED IN SECTION 151.**

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

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

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

16 (2) ~~This~~ **THE** refund **DESCRIBED IN SUBSECTION (1)** does not apply
17 if the person **SEEKING THE REFUND** has been reimbursed for the cost
18 of the tax by **ANY PERSON, INCLUDING, BUT NOT LIMITED TO,** an
19 insurance company, for the loss or contamination. **IF A PERSON**
20 **SEEKING A REFUND UNDER THIS SECTION IS REIMBURSED FOR ANY AMOUNT,**
21 **THAT PERSON SHALL DEMONSTRATE TO THE DEPARTMENT THAT THE AMOUNT**
22 **REIMBURSED DOES NOT INCLUDE TAX PAID UNDER THIS ACT ON THE MOTOR**
23 **FUEL OR ALTERNATIVE FUEL IN ORDER TO BE ELIGIBLE FOR THE REFUND.**

24 Sec. 45. (1) An end user operating a motor vehicle with a
25 common fuel supply tank from which motor fuel **OR ALTERNATIVE FUEL**
26 is used both to propel the vehicle and to operate attached
27 equipment may seek a refund for tax paid under this act on ~~diesel~~

1 **MOTOR fuel OR ALTERNATIVE FUEL** consumed from that fuel supply tank
2 in the amount of 15% of the tax paid.

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

13 (3) A refund provided under this section only applies to a
14 motor vehicle that is used by the end user exclusively for business
15 or other commercial purposes and does not apply to an automobile
16 whether or not it is used by the end user for business or other
17 commercial purposes.

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

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

26 (A) **"ALTERNATIVE FUEL" MEANS THAT TERM AS DEFINED IN SECTION**
27 **151.**

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

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

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

17 (3) An application for a license under this act may contain
18 any information the department may reasonably require to administer
19 this act including the applicant's federal identification number.

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

24 (a) A person licensed in this state as a supplier on ~~the~~
25 ~~effective date of this act~~**APRIL 1, 2001** shall be considered
26 licensed as a supplier under this act but only if the person is a
27 terminal operator or a position holder in a terminal on ~~the~~

1 ~~effective date of this act.~~**APRIL 1, 2001.**

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

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

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

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

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

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

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

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

4 (8) ~~(9)~~ A person who negligently violates this section is
5 subject to a civil penalty of \$1,000.00.

6 (9) ~~(10)~~ A person who knowingly violates or knowingly aids and
7 abets another to violate this section is guilty of a felony.

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

11 (2) A licensee shall retain a copy of its license at each of
12 its business locations unless the department waives this
13 requirement.

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

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

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

27 (2) This section does not apply to dyed diesel fuel used in

1 any of the following:

2 (a) A motor vehicle owned and operated or leased and operated
3 by the federal or state government or a political subdivision of
4 this state.

5 (b) A motor vehicle used exclusively by the American red
6 cross.

7 (c) An implement of husbandry.

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

12 (i) A certificate of authority issued by the state
13 transportation department.

14 (ii) A municipal franchise.

15 (iii) A municipal license.

16 (iv) A municipal permit.

17 (v) A municipal agreement.

18 (vi) A municipal grant.

19 (3) An owner, operator, or driver of a vehicle who uses dyed
20 diesel fuel on the public roads or highways of this state is
21 subject to a civil penalty of ~~\$200.00~~ **\$1,000.00** for each of the
22 first ~~2 violations within a 12 month period. For a third violation~~
23 ~~within a 12 month period, and~~ **VIOLATION, AND A CIVIL PENALTY OF**
24 **\$5,000.00** for each subsequent violation. ~~thereafter, the person is~~
25 ~~subject to a civil penalty of \$5,000.00.~~ An owner, operator, or
26 driver of a motor vehicle who knowingly violates the prohibition
27 against the sale or use of dyed diesel fuel upon the public roads

1 or highways of this state is subject to a civil penalty equal to
2 that imposed by section 6714 of the internal revenue code.

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

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

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

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

23 (D) "ALTERNATIVE FUEL FILLING STATION" MEANS A MACHINE OR
24 OTHER DEVICE LOCATED WITHIN THIS STATE THAT IS SUPPLIED WITH
25 ALTERNATIVE FUEL AND THAT IS DESIGNED OR USED FOR PLACING OR
26 DELIVERING ALTERNATIVE FUEL INTO THE FUEL SUPPLY TANK OF A MOTOR
27 VEHICLE. AS USED IN THIS SUBDIVISION, "LOCATED WITHIN THIS STATE"

1 INCLUDES, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING LOCATIONS:

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

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

4 (iii) A RESIDENCE OR RESIDENTIAL PROPERTY.

5 (iv) A LANDFILL LICENSED OR REQUIRED TO BE LICENSED UNDER PART
6 115 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994
7 PA 451, MCL 324.11501 TO 324.11554.

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

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

15 (G) "GALLON EQUIVALENT" MEANS 1 OF THE FOLLOWING OR ITS METRIC
16 EQUIVALENT:

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

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

23 (iii) FOR HYDROGEN COMPRESSED NATURAL GAS, THE VOLUME OR
24 WEIGHT THAT IS EQUAL TO 128,450 BTUS. FOR PURPOSES OF THIS
25 SUBDIVISION, THERE ARE 79,800 BTUS PER 100 STANDARD CUBIC FEET, AND
26 162.44 STANDARD CUBIC FEET PER GALLON EQUIVALENT.

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

(H) "LIQUEFIED NATURAL GAS" MEANS METHANE OR NATURAL GAS IN THE FORM OF A CRYOGENIC OR REFRIGERATED LIQUID THAT IS SUITABLE FOR USE OR USED AS FUEL TO PROPEL A MOTOR VEHICLE.

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

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

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

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

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

(iii) Withdrawing ~~liquefied petroleum gas~~ **ALTERNATIVE FUEL** from the cargo tank of a truck, trailer or semi-trailer for the operation of a motor vehicle upon the public roads and highways of

1 this state, whether used in vapor or liquid form.

2 (iv) PLACING OR DELIVERING ALTERNATIVE FUEL INTO THE FUEL
3 SUPPLY TANK OF A MOTOR VEHICLE BY OR THROUGH THE OPERATION OF AN
4 ALTERNATIVE FUEL FILLING STATION OR BY ANY OTHER MEANS NOT
5 INVOLVING THE DELIVERY, RECEIPT, OR PURCHASE OF ALTERNATIVE FUEL
6 FROM AN ALTERNATIVE FUEL DEALER OR ANY OTHER MEANS NOT OTHERWISE
7 DESCRIBED IN SUBPARAGRAPHS (i) TO (iii).

8 Sec. 152. (1) ~~A-EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION~~
9 ~~AND SECTIONS 154 AND 155, A tax at a-~~THE~~ rate of ~~15 cents~~ per~~
10 ~~gallon~~ **EQUAL TO THE TAX ON MOTOR FUEL** is imposed upon all liquefied
11 ~~petroleum gas-ALTERNATIVE FUEL~~ used in this state. ~~The-EXCEPT AS~~
12 **PROVIDED IN SECTION 154 OR 155, THE** tax shall be paid at the times
13 and in the manner specified in this section. The tax on liquefied
14 ~~petroleum gas-ALTERNATIVE~~ fuel sold or delivered either by placing
15 **IT** into a permanently attached fuel supply tank on a motor vehicle,
16 or **BY** exchanging or replacing the fuel supply tank of a motor
17 vehicle, shall be collected by the ~~LPG-ALTERNATIVE FUEL~~ dealer from
18 the purchaser, **CONSUMER, OR END USER** and paid over ~~quarterly~~
19 **MONTHLY** to the department as provided in this act. Liquefied
20 ~~petroleum gas-ALTERNATIVE~~ fuel delivered in this state into the
21 storage facility of any person when the exclusive purpose of the
22 storage facility is for resale or use in a motor vehicle on the
23 public roads or highways of this state, shall, upon delivery to
24 storage facility, be subject to tax. An ~~LPG-ALTERNATIVE FUEL~~ dealer
25 shall, upon delivery of the ~~liquefied petroleum gas-ALTERNATIVE~~
26 **FUEL**, collect and remit the tax to the department as provided in
27 this act. A person shall not operate a motor vehicle on the public

1 roads or highways of this state from the cargo containers of a
 2 truck, trailer, or semitrailer with ~~liquefied petroleum gas~~
 3 **ALTERNATIVE FUEL** in vapor or liquid form, **AS APPLICABLE**, except
 4 when the **ALTERNATIVE** fuel in the liquid or vapor phase is withdrawn
 5 from the cargo container for use in motor vehicles through a
 6 permanently installed and approved metering device. The tax on
 7 ~~liquefied petroleum gas~~ **ALTERNATIVE FUEL** withdrawn from a cargo
 8 container through a permanently installed and approved metering
 9 device shall apply in accordance with measured gallons **OR GALLON**
 10 **EQUIVALENTS, IF APPLICABLE**, as reflected by meter reading, and
 11 shall be paid ~~quarterly~~ **MONTHLY** by the ~~LPG~~ **ALTERNATIVE FUEL** dealer
 12 to the department as provided in this act.

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

16 (A) COMPRESSED NATURAL GAS.

17 (B) HYDROGEN.

18 (C) HYDROGEN COMPRESSED NATURAL GAS.

19 (D) LIQUEFIED NATURAL GAS.

20 (3) THE TAX IMPOSED UNDER THIS SECTION DOES NOT APPLY TO AN
 21 ALTERNATIVE FUEL COMMERCIAL USER DESCRIBED IN SECTION 154(2) UNTIL
 22 JANUARY 1, 2016.

23 (4) THE TAX IMPOSED UNDER THIS SECTION DOES NOT APPLY TO A
 24 PERSON DESCRIBED IN SECTION 154(3) UNTIL JULY 1, 2016.

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

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

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

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

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

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

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

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

6 (2) BEGINNING ON JANUARY 1, 2016, FOR THE PURPOSE OF
7 DETERMINING THE AMOUNT OF TAX OWED TO THE DEPARTMENT, AN
8 ALTERNATIVE FUEL COMMERCIAL USER THAT USES ALTERNATIVE FUEL AS
9 DESCRIBED IN SECTION 151(J) UPON WHICH THE TAX IMPOSED UNDER
10 SECTION 152 HAS NOT BEEN COLLECTED BY OR PAID TO AN ALTERNATIVE
11 FUEL DEALER SHALL, ON OR BEFORE THE TWENTIETH DAY OF EACH MONTH,
12 FILE WITH THE DEPARTMENT A REPORT THAT INCLUDES THE NUMBER OF
13 GALLONS OR GALLON EQUIVALENTS, IF APPLICABLE, OF THE ALTERNATIVE
14 FUEL DESCRIBED IN THIS SUBSECTION THAT WAS USED OR CONSUMED BY THE
15 ALTERNATIVE FUEL COMMERCIAL USER DURING THE PRECEDING CALENDAR
16 MONTH, TOGETHER WITH ANY OTHER INFORMATION THE DEPARTMENT REQUIRES.
17 AN ALTERNATIVE FUEL COMMERCIAL USER SHALL PAY THE FULL AMOUNT OF
18 THE TAX DUE TO THE DEPARTMENT AT THE TIME OF FILING THE REQUIRED
19 REPORT.

20 (3) BEGINNING ON JULY 1, 2016, FOR THE PURPOSE OF DETERMINING
21 THE AMOUNT OF TAX OWED TO THE DEPARTMENT, A PERSON THAT IS NOT AN
22 ALTERNATIVE FUEL DEALER OR AN ALTERNATIVE FUEL COMMERCIAL USER
23 SHALL PAY THE TAX IMPOSED UNDER SECTION 152 ON ALTERNATIVE FUEL FOR
24 WHICH THE TAX HAS NOT BEEN COLLECTED BY OR PAID TO AN ALTERNATIVE
25 FUEL DEALER, AND SHALL FILE WITH THE DEPARTMENT ON OR BEFORE THE
26 TWENTIETH DAY FOLLOWING THE END OF EACH QUARTER A FORM THAT
27 INDICATES THE NUMBER OF GALLONS OR GALLON EQUIVALENTS, IF

1 APPLICABLE, USED OR CONSUMED BY THAT PERSON DURING THE PRECEDING
2 CALENDAR QUARTER. A PERSON DESCRIBED IN THIS SUBSECTION SHALL PAY
3 TO THE DEPARTMENT THE FULL AMOUNT OF THE TAX DUE AT THE TIME OF
4 FILING THE REQUIRED FORM.

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

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

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

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

25 ~~—— (c) A person consuming liquefied petroleum gas in the~~
26 ~~operation of a passenger vehicle of a capacity of 5 or more under a~~
27 ~~municipal franchise, license, permit, agreement, or grant, upon~~

1 ~~which gas the tax imposed by this section has been paid.~~

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

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

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

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

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

25 (C) **THE ALTERNATIVE FUEL IS IMPORTED INTO THIS STATE IN THE**
26 **FUEL SUPPLY TANK OF A MOTOR VEHICLE USED SOLELY FOR NONCOMMERCIAL**
27 **PURPOSES, IF THE AGGREGATE CAPACITY OF THE MOTOR VEHICLE'S FUEL**

1 SUPPLY TANK DOES NOT EXCEED 30 GALLONS OR THE EQUIVALENT OF 30
2 GALLONS.

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

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

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

17 (6) ~~(4) A person who~~ THAT sells liquefied petroleum gas
18 ALTERNATIVE FUEL shall provide the purchaser with an invoice OR
19 RECEIPT showing the amount EXPRESSED IN GALLONS OR GALLON
20 EQUIVALENTS, AS APPLICABLE, of ~~gas~~ ALTERNATIVE FUEL purchased, the
21 date of purchase, and the amount of tax paid.

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

27 (8) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A PERSON

1 THAT USES OR CONSUMES ALTERNATIVE FUEL FOR A TAXABLE PURPOSE AND
2 DOES NOT PAY THE TAX IMPOSED UNDER SECTION 154 IS LIABLE FOR THE
3 PAYMENT OF THAT TAX AND SHALL PAY TO THE DEPARTMENT THE TAX IMPOSED
4 UNDER SECTION 152 AND ANY APPLICABLE PENALTIES OR INTEREST, AT THE
5 TIME AND IN THE MANNER PRESCRIBED BY THE DEPARTMENT.

6 Enacting section 1. This amendatory act takes effect October
7 1, 2015.

8 Enacting section 2. This amendatory act does not take effect
9 unless all of the following bills of the 98th Legislature are
10 enacted into law:

11 (a) House Bill No. 4614.

12 (b) House Bill No. 4616.