

# HOUSE BILL No. 4614

May 14, 2015, Introduced by Reps. LaFontaine, Leutheuser, Inman and Potvin and referred to the Committee on Roads and Economic Development.

A bill to amend 2004 PA 175, entitled  
"Streamlined sales and use tax revenue equalization act,"  
by amending sections 3 and 5 (MCL 205.173 and 205.175).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 3. As used in this act:

2       (A) "ALTERNATIVE FUEL" MEANS THAT TERM AS DEFINED IN SECTION  
3 151 OF THE MOTOR FUEL TAX ACT, 2000 PA 403, MCL 207.1151.

4       (B) ~~(a)~~—"Department" means the department of treasury.

5       (C) ~~(b)~~—"Diesel fuel" means that term as defined in section  
6 ~~2(p)~~—2 of the motor fuel tax act, 2000 PA 403, MCL 207.1002.

7       (D) "DIESEL GALLON EQUIVALENT" MEANS THAT TERM AS DEFINED IN  
8 SECTION 151 OF THE MOTOR FUEL TAX ACT, 2000 PA 403, MCL 207.1151.

9       (E) "GASOLINE" MEANS THAT TERM AS DEFINED IN SECTION 3 OF THE  
10 MOTOR FUEL TAX ACT, 2000 PA 403, MCL 207.1003.

11       (F) ~~(e)~~—"Interstate motor carrier" means a person who operates

1 or causes to be operated a qualified commercial motor vehicle on a  
2 public road or highway in this state and at least 1 other state or  
3 Canadian province.

4 (G) "LIQUEFIED NATURAL GAS" MEANS THAT TERM AS DEFINED IN  
5 SECTION 151 OF THE MOTOR FUEL TAX ACT, 2000 PA 403, MCL 207.1151.

6 (H) "MOTOR FUEL" MEANS DIESEL FUEL AND GASOLINE.

7 (I) ~~(d)~~—"Person" means an individual, firm, partnership, joint  
8 venture, association, social club fraternal organization, municipal  
9 or private corporation whether or not organized for profit,  
10 company, limited liability company, estate, trust receiver,  
11 trustee, syndicate, the United States, this state, country, or any  
12 other group or combination acting as a unit, and the plural as well  
13 as the singular number, unless the intention to give a more limited  
14 meaning is disclosed by the context.

15 (J) ~~(e)~~—"Qualified commercial motor vehicle" means that term  
16 as defined in section 1 of the motor carrier fuel tax act, 1980 PA  
17 119, MCL 207.211.

18 (K) ~~(f)~~—"Sales tax" means the tax levied under the general  
19 sales tax act, 1933 PA 167, MCL 205.51 to 205.78.

20 (L) ~~(g)~~—"Tax" includes all taxes, interest, or penalties  
21 levied under this act.

22 (M) ~~(h)~~—"Taxpayer" means a person subject to tax under this  
23 act.

24 (N) ~~(i)~~—"Use tax" means the tax levied under the use tax act,  
25 1937 PA 94, MCL 205.91 to 205.111.

26 Sec. 5. (1) There is levied upon and there shall be collected  
27 from every person in this state who is an interstate motor carrier

1 a specific tax for the privilege of using or consuming ~~diesel~~-MOTOR  
2 FUEL AND ALTERNATIVE fuel in a qualified commercial motor vehicle  
3 in this state.

4 (2) FOR MOTOR FUEL UPON WHICH THE TAX IMPOSED UNDER SUBSECTION  
5 (1) APPLIES, THE TAX RATE SHALL BE IMPOSED at a cents-per-gallon  
6 rate equal to 6% of the statewide average retail price of a gallon  
7 of self-serve UNDYED NO. 2 ULTRA-LOW SULFUR diesel fuel OR SELF-  
8 SERVE UNLEADED REGULAR GASOLINE, AS APPLICABLE, rounded down to the  
9 nearest 1/10 of a cent as determined and certified quarterly by the  
10 department. This tax on ~~diesel~~-MOTOR fuel used by interstate motor  
11 carriers in a qualified commercial motor vehicle shall be collected  
12 under the international fuel tax agreement. AN INTERSTATE MOTOR  
13 CARRIER IS ENTITLED TO A CREDIT FOR 6% OF THE PRICE OF MOTOR FUEL  
14 PURCHASED IN THIS STATE AND USED IN A QUALIFIED COMMERCIAL MOTOR  
15 VEHICLE. THIS CREDIT SHALL BE CLAIMED ON THE RETURNS FILED UNDER  
16 THE INTERNATIONAL FUEL TAX AGREEMENT.

17 (3) FOR ALTERNATIVE FUEL UPON WHICH THE TAX IMPOSED UNDER  
18 SUBSECTION (1) APPLIES, THE TAX RATE SHALL BE IMPOSED AT A CENTS-  
19 PER-GALLON RATE, OR CENTS-PER-DIESEL-GALLON EQUIVALENT, AS  
20 APPLICABLE, EQUAL TO THE FOLLOWING:

21 (A) FOR LIQUEFIED NATURAL GAS, 6% OF THE STATEWIDE AVERAGE  
22 RETAIL PRICE OF A GALLON OF SELF-SERVE UNDYED NO. 2 ULTRA-LOW  
23 SULFUR DIESEL FUEL.

24 (B) FOR ANY OTHER ALTERNATIVE FUEL, 6% OF THE STATEWIDE  
25 AVERAGE RETAIL PRICE OF A GALLON OF SELF-SERVE UNLEADED REGULAR  
26 GASOLINE.

27 (4) ~~(2)~~—THE TAX ON ALTERNATIVE FUEL UNDER SUBSECTION (3) USED

1 BY INTERSTATE MOTOR CARRIERS IN A QUALIFIED COMMERCIAL MOTOR  
2 VEHICLE SHALL BE COLLECTED UNDER THE INTERNATIONAL FUEL TAX  
3 AGREEMENT. An interstate motor carrier is entitled to a credit for  
4 6% of the price of ~~diesel~~ALTERNATIVE fuel purchased in this state  
5 and used in a qualified commercial motor vehicle. This credit shall  
6 be claimed on the returns filed under the international fuel tax  
7 agreement.

8 Enacting section 1. This amendatory act takes effect October  
9 1, 2015.

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

13 (a) Senate Bill No.\_\_\_\_ or House Bill No. 4615 (request no.  
14 03001'15).

15 (b) Senate Bill No.\_\_\_\_ or House Bill No. 4616 (request no.  
16 03002'15).