

Act No. 177
Public Acts of 2015
Approved by the Governor
November 10, 2015
Filed with the Secretary of State
November 10, 2015
EFFECTIVE DATE: January 1, 2017

**STATE OF MICHIGAN
98TH LEGISLATURE
REGULAR SESSION OF 2015**

Introduced by Reps. LaFontaine, Leutheuser, Inman and Potvin

ENROLLED HOUSE BILL No. 4614

AN ACT to amend 2004 PA 175, entitled "An act to impose taxes and create credits and refundable credits to modify and equalize the impact of changes made to the general sales tax act and use tax act necessary to bring those taxes into compliance with the streamlined sales tax agreement so this state may participate in the streamlined sales tax system and governing board; to prescribe certain powers and duties of certain state departments; and to provide for the disbursement of certain proceeds," by amending sections 3 and 5 (MCL 205.173 and 205.175).

The People of the State of Michigan enact:

Sec. 3. As used in this act:

- (a) "Alternative fuel" means that term as defined in section 151 of the motor fuel tax act, 2000 PA 403, MCL 207.1151.
- (b) "Department" means the department of treasury.
- (c) "Diesel fuel" means that term as defined in section 2 of the motor fuel tax act, 2000 PA 403, MCL 207.1002.
- (d) "Gallon equivalent" means that term as defined in section 151 of the motor fuel tax act, 2000 PA 403, MCL 207.1151.
- (e) "Gasoline" means that term as defined in section 3 of the motor fuel tax act, 2000 PA 403, MCL 207.1003.
- (f) "Interstate motor carrier" means a person who operates or causes to be operated a qualified commercial motor vehicle on a public road or highway in this state and at least 1 other state or Canadian province.
- (g) "Motor fuel" means diesel fuel and gasoline.
- (h) "Person" means an individual, firm, partnership, joint venture, association, social club fraternal organization, municipal or private corporation whether or not organized for profit, company, limited liability company, estate, trust receiver, trustee, syndicate, the United States, this state, country, or any other group or combination acting as a unit, and the plural as well as the singular number, unless the intention to give a more limited meaning is disclosed by the context.
- (i) "Qualified commercial motor vehicle" means that term as defined in section 1 of the motor carrier fuel tax act, 1980 PA 119, MCL 207.211.
- (j) "Sales tax" means the tax levied under the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78.
- (k) "Tax" includes all taxes, interest, or penalties levied under this act.
- (l) "Taxpayer" means a person subject to tax under this act.
- (m) "Use tax" means the tax levied under the use tax act, 1937 PA 94, MCL 205.91 to 205.111.

Sec. 5. (1) There is levied upon and there shall be collected from every person in this state who is an interstate motor carrier a specific tax for the privilege of using or consuming motor fuel and alternative fuel in a qualified commercial motor vehicle in this state.

(2) For motor fuel upon which the tax imposed under subsection (1) applies, the tax shall be imposed at a cents-per-gallon rate equal to 6% of the statewide average retail price of a gallon of self-serve undyed No. 2 ultra-low sulfur diesel fuel or self-serve unleaded regular gasoline, as applicable, rounded down to the nearest 1/10 of a cent as determined and certified quarterly by the department. This tax on motor fuel used by interstate motor carriers in a qualified commercial motor vehicle shall be collected under the international fuel tax agreement. An interstate motor carrier is entitled to a credit for 6% of the price of motor fuel purchased in this state and used in a qualified commercial motor vehicle. This credit shall be claimed on the returns filed under the international fuel tax agreement.

(3) For alternative fuel upon which the tax imposed under subsection (1) applies, the tax shall be imposed at a cents-per-gallon rate, or cents-per-gallon equivalent rate, as applicable, equal to 6% of the average retail price of a gallon or gallon equivalent, as applicable, of the applicable alternative fuel rounded down to the nearest 1/10 of a cent as determined and certified quarterly by the department. For purposes of this subsection, the average retail price is to be based on the statewide average price of the particular alternative fuel, as determined by the department, unless the department determines that a statewide average is not readily available. If a statewide average is not readily available, the department may use available regional or nationwide average retail pricing information, or when regional or nationwide pricing information cannot be readily obtained, may use the average retail price applicable to gasoline under subsection (2) for compressed natural gas or the average retail price applicable to diesel fuel under subsection (2) for all other types of alternative fuel, with adjustments as the department determines are appropriate to convert gasoline or diesel fuel prices to prices for alternative fuel.

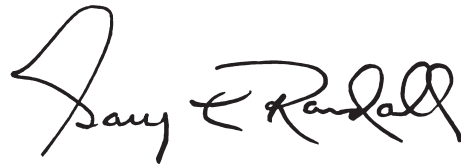
(4) The tax on alternative fuel under subsection (3) used by interstate motor carriers in a qualified commercial motor vehicle shall be collected under the international fuel tax agreement. An interstate motor carrier is entitled to a credit for 6% of the price of alternative fuel purchased in this state and used in a qualified commercial motor vehicle. This credit shall be claimed on the returns filed under the international fuel tax agreement.

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

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

- (a) Senate Bill No. 414.
- (b) House Bill No. 4370.
- (c) House Bill No. 4616.
- (d) House Bill No. 4736.
- (e) House Bill No. 4737.
- (f) House Bill No. 4738.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor