

**SUBSTITUTE FOR
HOUSE BILL NO. 4976**

A bill to amend 2004 PA 175, entitled
"Streamlined sales and use tax revenue equalization act,"
by amending section 5 (MCL 205.175), as amended by 2015 PA 177.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

6 (2) For motor fuel upon which the tax imposed under subsection
7 (1) applies, the tax shall be imposed at a cents-per-gallon rate
8 equal to 6% of the statewide average retail price of a gallon of
9 self-serve undyed No. 2 ultra-low sulfur diesel fuel or self-serve

1 unleaded regular gasoline, as applicable, rounded down to the
2 nearest 1/10 of a cent as determined and certified quarterly by the
3 department. This tax on motor fuel used by interstate motor
4 carriers in a qualified commercial motor vehicle shall be collected
5 under the international fuel tax agreement. An interstate motor
6 carrier is entitled to a credit for 6% of the price of motor fuel
7 purchased in this state and used in a qualified commercial motor
8 vehicle. This credit shall be claimed on the returns filed under
9 the international fuel tax agreement.

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

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

8 **(5) This section does not apply to an interstate motor carrier**
9 **to the extent that the interstate motor carrier is exempt from the**
10 **requirements of this section under a qualified fuel tax reciprocity**
11 **agreement as that term is defined in section 3 of 1960 PA 124, MCL**
12 **3.163.**

13 Enacting section 1. This amendatory act does not take effect
14 unless House Bill No. 4977 of the 101st Legislature is enacted into
15 law.