

HOUSE BILL NO. 6334

June 30, 2022, Introduced by Rep. Bellino and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.847) by adding sections 277a and 677a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 277a. (1) For tax years beginning on and after January 1,
2 2023 through December 31, 2027, a taxpayer who is a retail dealer
3 may claim a credit against the tax imposed by this part equal to
4 \$0.05 per gallon of B5 fuel that the retail dealer sells and
5 dispenses through metered pumps at the retail dealer's motor fuel
6 site during the tax year.

1 (2) For a taxpayer who is a member of a flow-through entity
2 that qualifies for the credit under this section, that taxpayer may
3 claim a credit against the member's tax liability under this part
4 based on the member's distributive share of business income
5 reported from that flow-through entity or an alternative method
6 approved by the department.

7 (3) If the credit allowed under this section for the tax year
8 exceeds the tax liability of the taxpayer for the tax year, that
9 portion of the credit that exceeds the tax liability shall be
10 refunded.

11 (4) As used in this section:

12 (a) "B5 fuel" means diesel fuel blended with up to 5%
13 biodiesel and 95% petroleum diesel.

14 (b) "Motor fuel" means that term as defined in section 4 of
15 the motor fuel tax act, 2000 PA 403, MCL 207.1004.

16 (c) "Motor fuel site" means an establishment at which motor
17 fuel is sold or offered for sale to the public.

18 (d) "Retail dealer" means the ultimate vendor as that term is
19 defined in section 6 of the motor fuel tax act, 2000 PA 403, MCL
20 207.1006.

21 Sec. 677a. (1) For tax years beginning on and after January 1,
22 2023 through December 31, 2027, a taxpayer who is a retail dealer
23 may claim a credit against the tax imposed by this part equal to
24 \$0.05 per gallon of B5 fuel that the retail dealer sells and
25 dispenses through metered pumps at the retail dealer's motor fuel
26 site during the tax year.

27 (2) If the credit allowed under this section for the tax year
28 exceeds the tax liability of the taxpayer for the tax year, that
29 portion of the credit that exceeds the tax liability shall be

1 refunded.

2 (3) As used in this section:

3 (a) "B5 fuel" means diesel fuel blended with up to 5%
4 biodiesel and 95% petroleum diesel.

5 (b) "Motor fuel" means that term as defined in section 4 of
6 the motor fuel tax act, 2000 PA 403, MCL 207.1004.

7 (c) "Motor fuel site" means an establishment at which motor
8 fuel is sold or offered for sale to the public.

9 (d) "Retail dealer" means the ultimate vendor as that term is
10 defined in section 6 of the motor fuel tax act, 2000 PA 403, MCL
11 207.1006.