

**MOTOR FUEL TAX ACT (EXCERPT)**  
**Act 403 of 2000**

**207.1008 Tax on motor fuel; rates; collection or payment; exception; manner and time; imposition of rate on net gallons; legislative intent; bills of lading and invoices; identification of blended product and correct fuel product code; terminal operator license; requirements; notice; presumption.**

Sec. 8. (1) Except as otherwise provided in this act and subject to the exemptions provided for in this act, tax is imposed on motor fuel imported into or sold, delivered, or used in this state at the following rates:

(a) Except as otherwise provided in subdivision (c), as follows:

(i) Through December 31, 2016, 19 cents per gallon on gasoline.

(ii) Beginning January 1, 2017, 26.3 cents per gallon on gasoline.

(b) Except as otherwise provided in subdivision (c), as follows:

(i) Through December 31, 2016, 15 cents per gallon on diesel fuel.

(ii) Beginning January 1, 2017, 26.3 cents per gallon on diesel fuel.

(c) Beginning with the rate effective on January 1, 2022 and January 1 of each year thereafter, the department shall determine a cents-per-gallon rate on motor fuel that shall be derived by multiplying the cents-per-gallon rate in effect during the immediately preceding calendar year by 1 plus the lesser of 0.05 or the inflation rate and rounding up the product to the nearest 1/10 of a cent.

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

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

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

(5) It is the intent of this act:

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

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

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

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

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

(7) Notwithstanding any other provision of this act, a facility in this state that produces motor fuel and distributes the fuel from a rack for purposes of this act is a terminal, shall obtain a terminal operator license, and shall comply with all terminal operator reporting requirements under this act. A position holder in a facility shall be licensed as a supplier and shall comply with all supplier requirements under this act.

(8) Beginning with the rate in effect on January 1, 2022 and January 1 of each year thereafter, the department shall publish notice of the tax rate under this section not later than 30 days before the effective date of the rate.

(9) A determination by the department of the consumer price index, the inflation rate, or the tax rate under this section is presumed correct and shall not be set aside unless an administrative tribunal or a court of competent jurisdiction finds the department's determination to be clearly erroneous.

**History:** 2000, Act 403, Eff. Apr. 1, 2001;—Am. 2002, Act 668, Eff. Apr. 1, 2003;—Am. 2006, Act 268, Eff. Sept. 1, 2006;—Am. 2015, Act 176, Eff. Jan. 1, 2017.

**Compiler's note:** Enacting section 2 of Act 468 of 2014 provides:

"Enacting section 2. This amendatory act does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963."

House Joint Resolution UU was presented to the electors as Proposal 15-1 at the May 5, 2015 special election. The proposal to amend the constitution was not approved by the voters and Act 468 of 2014 does not go into effect.