

MOTOR FUEL TAX ACT (EXCERPT)
Act 403 of 2000

207.1072 Treatment of removals by licensed supplier; election.

Sec. 72. (1) A licensed supplier or licensed permissive supplier shall treat all removals from all of its terminals within the United States with a destination in this state as shown on the terminal-issued shipping paper as if the motor fuel were removed across the rack by the supplier from a terminal in this state for all purposes.

(2) A licensed supplier or licensed permissive supplier may elect to treat all removals from all of its terminals located outside of the United States with a destination in this state as shown on the terminal-issued shipping paper as if the motor fuel were removed across the rack by the supplier from a terminal in this state for all purposes.

(3) The election provided under subsection (2) shall be made by filing with the department a notice of election.

(4) The department shall release a list of electing suppliers under subsection (2) upon request by any person.

(5) The absence of an election by a supplier under subsection (2) does not relieve the supplier of responsibility for remitting the tax imposed by this act upon the removal of motor fuel from a terminal located outside of this state for import into this state by the supplier.

(6) A supplier who makes the election provided for in subsection (2) shall from the date the election is filed with the department precollect the tax imposed by this act on all removals from a terminal on its account either as a position holder or as a person receiving fuel from a position holder pursuant to a 2-party exchange agreement. The supplier shall precollect the tax without regard to any of the following:

- (a) The license status of the person acquiring the fuel from the supplier.
- (b) The point or terms of sale.
- (c) The character of delivery.

(7) A supplier who elects to precollect tax under subsection (2) waives any defense that the state lacks jurisdiction to require collection on all sales made outside of this state by the supplier on which the supplier had knowledge that the shipments were destined for this state. This state imposes this requirement under its general police powers to regulate the movement of motor fuel.

History: 2000, Act 403, Eff. Apr. 1, 2001.