

MOTOR FUEL TAX ACT (EXCERPT)
Act 403 of 2000

207.1087 Exporter required to pay tax; fuel diversion number; terms and conditions of payment and notice; agreement permitting supplier to assume exporter's liability; tax refund and credit.

Sec. 87. (1) If an exporter diverts motor fuel removed from a terminal in this state from an intended destination outside this state as shown on the terminal-issued shipping papers to a destination within this state, the exporter shall obtain a fuel diversion number and pay to the department the tax imposed on that motor fuel by section 8.

(2) An exporter required to pay tax under this section shall provide notice and pay the tax upon the same terms and conditions as if the exporter were an occasional importer licensed under section 76 without deduction for the allowances provided by section 14.

(3) For purposes of this section, an exporter who has purchased motor fuel from a licensed supplier may enter into an agreement with the supplier to permit the supplier to assume the exporter's liability and adjust the exporter's taxes that are payable to the supplier. The supplier shall provide a copy of the agreement to the department at the time the supplier files its monthly report. The agreement shall include at a minimum the following information:

- (a) The names of the parties to the agreement.
- (b) The date the agreement was entered into.
- (c) The type of motor fuel involved.
- (d) The number of gallons of motor fuel involved.

(4) If an exporter withdraws and exports from a bulk plant in this state motor fuel as to which the tax imposed by this act has previously been paid or accrued, the exporter may apply for and the state shall issue a refund of the tax upon a showing of proof of export and payment of the tax satisfactory to the department.

(5) If a diversion from a destination in this state to another state does not violate state or federal law, the diversion relief provisions set forth in section 108 shall apply and an unlicensed exporter diverting the product may apply for a refund from the department as provided in this act. The allowance provided for in section 14 shall be deducted from the refund allowed under this subsection.

(6) A licensee required to file a report under this act may take a credit for diversions directed by that licensee for its own account.

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