

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

**207.1152 Tax on alternative fuel.**

Sec. 152. (1) Except as otherwise provided in this section and sections 154 and 155, a tax at the rate per gallon equal to the tax on motor fuel is imposed upon all alternative fuel used in this state. Except as provided in section 154 or 155, the tax shall be paid at the times and in the manner specified in this section. The tax on alternative fuel sold or delivered either by placing it into a permanently attached fuel supply tank on a motor vehicle, or by exchanging or replacing the fuel supply tank of a motor vehicle, shall be collected by the alternative fuel dealer from the purchaser, consumer, or end user and paid over monthly to the department as provided in this act. Alternative fuel delivered in this state into the storage facility of any person when the exclusive purpose of the storage facility is for resale or use in a motor vehicle on the public roads or highways of this state, shall, upon delivery to storage facility, be subject to tax. An alternative fuel dealer shall, upon delivery of the alternative fuel, collect and remit the tax to the department as provided in this act. A person shall not operate a motor vehicle on the public roads or highways of this state from the cargo containers of a truck, trailer, or semitrailer with alternative fuel in vapor or liquid form, as applicable, except when the alternative fuel in the liquid or vapor phase is withdrawn from the cargo container for use in motor vehicles through a permanently installed and approved metering device. The tax on alternative fuel withdrawn from a cargo container through a permanently installed and approved metering device shall apply in accordance with measured gallons or gallon equivalents, if applicable, as reflected by meter reading, and shall be paid monthly by the alternative fuel dealer to the department as provided in this act.

(2) The rate of tax on the following alternative fuels shall be equal to the tax on motor fuel per gallon equivalent or fractional part thereof rounded to the nearest 1/10 of 1 gallon:

- (a) Compressed natural gas.
- (b) Hydrogen.
- (c) Hydrogen compressed natural gas.
- (d) Liquefied natural gas.

(3) The tax imposed under this section does not apply to an alternative fuel commercial user described in section 154(2) until January 1, 2017.

(4) The tax imposed under this section does not apply to a person described in section 154(3) until January 1, 2018.

**History:** 2000, Act 403, Eff. Apr. 1, 2001;—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.