

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

**207.1155 Person consuming alternative fuel for other than operating motor vehicle on roads or highways; eligibility for refund; tax exemption; purchaser to be provided with invoice or receipt; listing price in plain view; failure to pay tax.**

Sec. 155.

(1) A person consuming alternative fuel for any purpose other than to operate a motor vehicle on the public roads or highways of this state may seek a refund of the tax on alternative fuel imposed by this act, including a refund as provided in section 45, if that person has already paid the tax imposed under section 152 on that alternative fuel.

(2) To obtain a refund under this section, a person shall file a claim with the department within 18 months after the date of purchase, as shown on the invoice and shall comply with the requirements set forth in section 48.

(3) A claim for refund under this section shall be on a form or in a format prescribed by the department and shall have attached the original invoice that was provided to the purchaser.

(4) An alternative fuel is exempt from the tax imposed by this act and the tax imposed by this act shall not be collected by an alternative fuel dealer if any of the following apply:

(a) The alternative fuel is sold directly by an alternative fuel dealer to the federal government, the state government, or a political subdivision of this state for use in a motor vehicle owned and operated or leased and operated by the federal government, state government, or political subdivision of this state.

(b) The alternative fuel is sold directly by an alternative fuel dealer to a nonprofit, private, parochial, or denominational school, college, or university and is used in a school bus owned and operated or leased and operated by the educational institution that is used in the transportation of students to and from the institution or to and from school functions authorized by the administration of the institution.

(c) The alternative fuel is imported into this state in the fuel supply tank of a motor vehicle used solely for noncommercial purposes, if the aggregate capacity of the motor vehicle's fuel supply tank does not exceed 30 gallons or the equivalent of 30 gallons.

(5) Both of the following are exempt from the tax on alternative fuel imposed by this act:

(a) The federal government, state government, or a political subdivision of this state consuming alternative fuel in a motor vehicle owned and operated or leased and operated by the federal government, state government, or a political subdivision of this state.

(b) A nonprofit, private, parochial, or denominational school, college, or university consuming alternative fuel in a school bus owned and operated or leased and operated by the institution when the alternative fuel is consumed by the school bus while transporting students to and from the institution or to and from school functions authorized by the administration of the institution.

(6) A person that sells alternative fuel shall provide the purchaser with an invoice or receipt showing the amount expressed in gallons or gallon equivalents, as applicable, of alternative fuel purchased, the date of purchase, and the amount of tax paid.

(7) An alternative fuel dealer that sells alternative fuel at retail shall clearly list in plain view of the customer the price of the alternative fuel in gallon equivalents, as applicable, on the alternative fuel filling station and any other markings or information required by law.

(8) Except as otherwise provided in this section, a person that uses or consumes alternative fuel for a taxable purpose and does not pay the tax imposed under section 154 is liable for the payment of that tax and shall pay to the department the tax imposed under section 152 and any applicable penalties or interest, at the time and in the manner prescribed by the department.

**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.