



HOUSE BILL No. 6023

September 28, 2000, Introduced by Reps. Brewer, DeHart, Bovin and Sheltroun and referred to the Committee on Tax Policy.

A bill to impose a tax on the sale of gasoline and diesel motor fuel; to determine who shall pay the tax; and to specify the collection process for the tax imposed.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. Beginning October 1, 2000, an excise tax equal to
2 excess profits is imposed on the excess profits of suppliers
3 doing business in this state that gouge consumers from the sale
4 of all gasoline and diesel motor fuel sold or used in this state
5 that is used for producing or generating power for propelling
6 motor vehicles used upon the public roads and highways in this
7 state.

8 Sec. 2. Excess profits are the amount of profits by which
9 the supplier's profits as for the tax year exceed the
10 industrywide average profits for the 5 immediately preceding
11 calendar years. Profits under this section shall be apportioned

1 to this state based on the percentage that gasoline and diesel
2 motor fuel distributed within this state is of the supplier's
3 total amount of gasoline and diesel motor fuel distributed.

4 Sec. 3. A supplier is considered to have gouged the consum-
5 ers if the supplier increases the cost of gasoline or diesel
6 motor fuel by more than 50% over the average cost of gasoline or
7 diesel motor fuel charged by the supplier for the 5 immediately
8 preceding calendar years.

9 Sec. 4. The excise tax imposed under this act shall be paid
10 annually at those times, in the manner, and by those persons as
11 specified in this act in accordance with the collection provi-
12 sions of 1941 PA 122, MCL 205.1 to 205.31.

13 Sec. 5. The tax imposed by this act is in addition to all
14 other taxes.

15 Sec. 6. As used in this act, "supplier" means a person that
16 imports or acquires immediately upon import gasoline or diesel
17 motor fuel by pipeline or marine vessel from within a state, ter-
18 ritory, or possession of the United States into a terminal or
19 that imports gasoline or diesel motor fuel from a foreign coun-
20 try, or that produces, manufactures, or refines gasoline or
21 diesel motor fuel within this state and in any case is also reg-
22 istered pursuant to 26 U.S.C. 4101 for tax-free transactions in
23 gasoline. A retail dealer or wholesaler shall not be considered
24 a supplier merely because the retail dealer or wholesaler blends
25 alcohol with gasoline prior to the sale or distribution of the
26 product.