

SUBSTITUTE FOR
HOUSE BILL NO. 4478

A bill to levy a replacement energy tax on the price of natural gas; to provide for the administration and collection of the replacement energy tax revenues; and to provide for the disposition of revenues.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "home heating energy assistance act".

3 Sec. 1a. The purpose of this act is to lower the total
4 state tax burden on consumers of energy that is purchased to heat
5 homes and businesses. It is also the purpose of this act to
6 assure that any person that sells energy that is used to heat
7 homes and businesses pass on any tax saving received as a result
8 of this act to the ultimate user of the energy.

9 Sec. 2. As used in this act:

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1 (a) "Department" means the state department of treasury.

2 (b) "Residential sales" means a sale of natural gas if it is
3 provided to a customer under a rate classification as residential
4 under the rate schedule, tariffs, and rules for the natural gas
5 provider approved by the Michigan public service commission in
6 the department of consumer and industry services.

7 Sec. 3. A replacement energy tax is levied on that part of
8 the purchase price of natural gas that is greater than \$3.00 per
9 1,000 cubic feet at the following rates:

10 (a) Three percent for residential sales.

11 (b) Five percent for all sales other than residential
12 sales.

13 Sec. 4. (1) The replacement energy tax shall not be levied
14 on any portion of the purchase price of natural gas greater than
15 \$3.00 per 1,000 cubic feet if the purchase price of natural gas
16 up to \$3.00 per 1,000 cubic feet is exempt or excluded from the
17 sales tax under the general sales tax act, 1933 PA 167, MCL
18 205.51 to 205.91, or the use tax under the use tax act, 1937 PA
19 94, MCL 205.91 to 205.111.

20 (2) The department shall administer and collect the replace-
21 ment energy tax imposed under this act in the same manner as it
22 administers and collects the sales tax under the general sales
23 tax act, 1933 PA 167, MCL 205.51 to 205.78, or the use tax act,
24 1937 PA 94, MCL 205.91 to 205.111. There is an irrebuttable pre-
25 sumption that any exemption or exclusion from payment of either
26 the sales tax under the general sales tax act, 1933 PA 167, MCL
27 205.51 to 205.91, or the use tax under the use tax act, 1937 PA

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1 94, MCL 205.91 to 205.111, or both, shall be equally applicable
2 to the replacement energy tax and binding on the department. The
3 department shall promulgate forms to administer and collect the
4 replacement energy tax.

5 Sec. 5. (1) Revenue that is collected under this act shall
6 be deposited in the home heating credit fund created under the
7 home heating credit fund act.

8 (2) It is the intent of the legislature that revenue col-
9 lected under this act and deposited in the home heating credit
10 fund may be used to offset the loss of revenue based on claims of
11 the credit allowed under section 527a of the income tax act of
12 1967, 1967 PA 281, MCL 206.527a.

13 Enacting section 1. This act takes effect October 1, 2001.

14 Enacting section 2. This act does not take effect unless
15 all of the following bills of the 91st Legislature are enacted
16 into law:

17 (a) House Bill No. 4476.

18 (b) House Bill No. 4477.