

Legislative Analysis



LEADED RACING FUEL

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House Bill 5959 ((Substitute H-2))
Sponsor: Rep. Tonya Schuitmaker
Committee: Transportation

Complete to 5-9-06

A SUMMARY OF HOUSE BILL 5959 AS REPORTED FROM COMMITTEE

The bill would amend the Motor Fuel Tax Act to specify that "leaded racing fuel" is not included in the definition of "motor fuel" and is not included in the definition of "gasoline." This provides an exemption from the motor fuel tax for leaded racing fuel.

The term "leaded racing fuel" would be defined *as fuel other than diesel fuel that is leaded and at least 100 octane and is used in vehicles on a racetrack.*

MCL 207.1003 and 1004

FISCAL IMPACT:

The bill would exclude leaded racing fuel from the definitions of both "motor fuel" and "gasoline" under the Motor Fuel Tax Act. As a result, leaded racing fuel would not be subject to the taxes imposed in Section 8 of the act. The fiscal impact is indeterminate at this time, although the impact appears to be nominal. Section 8 (6) of the Motor Fuel Tax Act currently indicates that the intent of the act is to *"require persons who operate a motor vehicle on the public roads or highways of this state to pay for the privilege of using those roads or highways."* Committee testimony indicated that race cars that use leaded racing fuel are not licensed to operate on public roads or highways and are currently eligible to seek a refund of taxes paid. The motor vehicles which are licensed to operate on public roads or highways are not able to use leaded racing fuel as a motor fuel.

POSITIONS:

The Department of Treasury supports the bill. (5-9-06)

The Michigan Infrastructure and Transportation Association and the County Road Association both indicated neutrality on the bill. (5-9-06)

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