

HOUSE BILL No. 5982

December 2, 2014, Introduced by Rep. McMillin and referred to the Committee on Tax Policy.

A bill to amend 2000 PA 403, entitled
"Motor fuel tax act,"
by amending sections 30 and 41 (MCL 207.1030 and 207.1041), section
30 as amended by 2008 PA 26.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 30. (1) Motor fuel is exempt from the tax imposed by
2 section 8 and the tax shall not be collected by the supplier if the
3 motor fuel:

4 (a) Is dyed diesel fuel or dyed kerosene.
5 ~~—— (b) Is gasoline or diesel fuel that is sold directly by the~~
6 ~~supplier to the federal government, the state government, or a~~
7 ~~political subdivision of the state for use in a motor vehicle owned~~
8 ~~and operated or leased and operated by the federal or state~~

~~government or a political subdivision of the state.~~

(B) ~~(e)~~—Is sold directly by the supplier 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) ~~(d)~~—Is fuel for which proof of export is available in the form of a terminal-issued destination state shipping paper under any of the following circumstances:

(i) The motor fuel is exported by a supplier who is licensed in the destination state.

(ii) ~~Until December 31, 2000, the~~ **THE** motor fuel is sold by a supplier to a licensed exporter for immediate export.

(iii) The motor fuel is sold by a supplier to another person for immediate export to a state for which the destination state fuel tax has been paid to the supplier who is licensed to remit tax to that destination state.

(D) ~~(e)~~—Is gasoline removed from a pipeline or marine vessel by a taxable fuel registrant with the internal revenue service as a fuel feedstock user.

(E) ~~(f)~~—Is motor fuel that is sold for use in aircraft but only if the purchaser paid the tax imposed on that fuel under the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, and the purchaser is registered under section 94 if required to be registered under that section.

1 (F) ~~(g)~~ Is aviation fuel upon which tax is not due under
2 section 203 of the aeronautics code of the state of Michigan, 1945
3 PA 327, MCL 259.203, and the purchaser has certified in writing to
4 the seller that the aviation fuel is being purchased solely for the
5 purpose of formulating leaded racing fuel. ~~as that term is defined~~
6 ~~in section 4.~~ Aviation fuel qualifying under this subsection shall
7 be identified on shipping papers and invoices as "aviation fuel
8 exempt for LRF".

9 (2) Motor fuel is exempt from the tax imposed by section 8 if
10 it is acquired by an end user outside of this state and brought
11 into this state in the fuel supply tank of a motor vehicle that is
12 not a commercial motor vehicle, but only if the fuel is retained
13 within and consumed from that same fuel supply tank.

14 (3) A person who uses motor fuel for a taxable purpose where
15 the tax imposed by this act was not collected shall pay to the
16 department the tax imposed by section 8 and any applicable
17 penalties or interest. The payment shall be made on a form or in a
18 format prescribed by the department.

19 Sec. 41. An end user may seek a refund for tax paid under this
20 act on gasoline used in a passenger vehicle ~~of a capacity of 5 or~~
21 ~~more under a municipal franchise, license, permit, agreement, or~~
22 ~~grant, respectively, a person operating a passenger vehicle for the~~
23 transportation of school students under a certificate of authority
24 issued by the state transportation department ~~pursuant to~~ **UNDER**
25 section 5 of article II of the motor carrier act, 1933 PA 254, MCL
26 476.5, and **FOR GASOLINE USED IN A PASSENGER VEHICLE USED BY** a
27 community action agency as described in former title II of the

1 economic opportunity act of 1964, Public Law 88-452, ~~which are~~ **IF**
2 **THE END USER IS** not a part or division of a political subdivision
3 of this state. A community action agency shall make the refund a
4 state-contributed nonfederal share to grants received by the
5 community action agency from the community services administration
6 under former title II of the economic opportunity act of 1964.