

Act No. 20
Public Acts of 2025
Approved by the Governor
October 7, 2025
Filed with the Secretary of State
October 7, 2025
EFFECTIVE DATE: October 7, 2025

**STATE OF MICHIGAN
103RD LEGISLATURE
REGULAR SESSION OF 2025**

Introduced by Reps. Kunse, Hoadley, Bierlein, Thompson, BeGole, Tisdell, Borton, Kelly, Johnsen, Cavitt, Woolford, Kuhn, Frisbie, DeBoyer, Markkanen, Meerman, Roth, Jenkins-Arno, Prestin, Alexander, Steele, Bruck, Martin, Rigas, Outman and VanderWall

ENROLLED HOUSE BILL No. 4183

AN ACT to amend 2000 PA 403, entitled "An act to prescribe a tax on the sale and use of certain types of fuel in motor vehicles on the public roads or highways of this state and on certain other types of gas; to prescribe the manner and the time of collection and payment of this tax and the duties of officials and others pertaining to the payment and collection of this tax; to provide for the licensing of persons involved in the sale, use, or transportation of motor fuel and the collection and payment of the tax imposed by this act; to prescribe fees; to prescribe certain other powers and duties of certain state agencies and other persons; to provide for exemptions and refunds and for the disposition of the proceeds of this tax; to provide for appropriations from the proceeds of this tax; to prescribe remedies and penalties for the violation of this act; and to repeal acts and parts of acts," by amending section 8 (MCL 207.1008), as amended by 2015 PA 176.

The People of the State of Michigan enact:

Sec. 8. (1) Except as otherwise provided in this act and subject to the exemptions provided for in this act, tax is imposed on motor fuel imported into or sold, delivered, removed, or used in this state at the following rates:

(a) Except as otherwise provided in subdivision (c), as follows:

(i) Through December 31, 2016, 19 cents per gallon on gasoline.

(ii) Beginning January 1, 2017, 26.3 cents per gallon on gasoline.

(b) Except as otherwise provided in subdivision (c), as follows:

(i) Through December 31, 2016, 15 cents per gallon on diesel fuel.

(ii) Beginning January 1, 2017, 26.3 cents per gallon on diesel fuel.

(c) Except as otherwise provided in this subdivision, beginning with the rate effective on January 1, 2022 and January 1 of each year thereafter, through the rate effective on January 1, 2025, the department shall determine a cents-per-gallon rate on motor fuel that is derived by multiplying the cents-per-gallon rate in effect during the immediately preceding calendar year by 1 plus the lesser of 0.05 or the inflation rate and rounding up the product to the nearest 1/10 of a cent. Beginning January 1, 2026 through December 31, 2026, the cents-per-gallon rate on motor fuel is equal to the product of 51 cents multiplied by 1 plus the lesser of 0.05 or the inflation rate and rounding up the product to the nearest 1/10 of a cent. For the rate effective on January 1, 2027 and on January 1 of each year thereafter, the department shall determine a cents-per-gallon rate on motor fuel that is derived by multiplying the cents-per-gallon rate in effect during the immediately preceding calendar year by 1 plus the lesser of 0.05 or the inflation rate and rounding up the product to the nearest 1/10 of a cent.

(2) Tax is not imposed under this section on motor fuel that is in the bulk transfer/terminal system.

(3) The collection, payment, and remittance of the tax imposed by this section must be accomplished in the manner and at the time provided for in this act.

(4) Tax is also imposed at the rate described in subsection (1) on net gallons of motor fuel, including transmix, lost or unaccounted for at each terminal in this state. The tax must be measured annually and applies to the net gallons of motor fuel lost or unaccounted for that are in excess of 1/2 of 1% of all net gallons of fuel removed from the terminal across the rack or in bulk.

(5) It is the intent of this act:

(a) 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.

(b) To impose on suppliers a requirement to collect and remit the tax imposed by this act at the time of removal of motor fuel unless otherwise specifically provided in this act.

(c) To allow persons who pay the tax imposed by this act and who use the fuel for a nontaxable purpose to seek a refund or claim a deduction as provided in this act.

(d) That the tax imposed by this act be collected and paid at those times, in the manner, and by those persons specified in this act.

(6) Bills of lading and invoices must identify the blended product and the correct fuel product code. The motor fuel tax rate for each product must be listed separately on each invoice. Licensees shall report the correct fuel product code for the blended product as required by the department. When fuel is blended below the terminal rack, new bills of lading and invoices must be generated and submitted to the department on request. All bills of lading and invoices must meet the requirements of this act.

(7) Notwithstanding any other provision of this act, a facility in this state that produces motor fuel and distributes the fuel from a rack for purposes of this act is a terminal, shall obtain a terminal operator license, and shall comply with all terminal operator reporting requirements under this act. A position holder in a facility shall be licensed as a supplier and shall comply with all supplier requirements under this act.

(8) Beginning with the rate in effect on January 1, 2022 and January 1 of each year thereafter, the department shall publish notice of the tax rate under this section not later than 30 days before the effective date of the rate.

(9) A determination by the department of the Consumer Price Index, the inflation rate, or the tax rate under this section is presumed correct and shall not be set aside unless an administrative tribunal or a court of competent jurisdiction finds the department's determination to be clearly erroneous.

(10) Subject to subsections (11) to (13), the tax levied under this act, at a rate equal to the difference between the tax rate in effect on January 1, 2025, and the tax rate in effect on January 1, 2026, is imposed on all of the following as provided in this subsection:

(a) Motor fuel in excess of 3,000 gallons held in storage by an end user as of 11:59 p.m. on December 31, 2025, or held for sale at the close of business on December 31, 2025 that is in excess of dead storage, as to which the tax imposed by subsection (1), at the rate in effect on January 1, 2025, has been previously paid or has been accrued by either of the following:

(i) A licensed supplier at the time of removal from a terminal.

(ii) A licensed importer, if all of the conditions in sections 76, 82, and 104, as applicable, concerning the lawful importation of motor fuel by the importer have been met.

(b) All nonexempt motor fuel held by a person outside of the bulk transfer/terminal system in this state as of 11:59 p.m. on December 31, 2025, in excess of 3,000 gallons, as to which the tax imposed by subsection (1) at the rate in effect on January 1, 2025 has not been previously paid or has not been accrued by either of the following:

(i) A licensed supplier at the time of removal from a terminal.

(ii) A licensed importer, if all of the conditions in sections 76, 82, and 104, as applicable, concerning the lawful importation of motor fuel by the importer have been met.

(11) A person in possession of motor fuel that is subject to the tax under subsection (10) must take an inventory to determine the number of gallons of motor fuel subject to the tax under subsection (10) and report those gallons of motor fuel to the department in the form and manner prescribed by the department.

(12) The amount of the tax due under subsection (10) is equal to the tax rate described in subsection (10) multiplied by the number of gallons of motor fuel subject to the tax imposed under subsection (10).

(13) By not later than February 20, 2026, the report required under subsection (11) must be filed with the department, together with payment of the applicable tax due under subsection (10).

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 103rd Legislature are enacted into law:

(a) Senate Bill No. 578.

(b) House Bill No. 4180.

(c) House Bill No. 4181.

(d) House Bill No. 4182.

This act is ordered to take immediate effect.

Clerk of the House of Representatives

Secretary of the Senate

Approved _____

Governor