

**MOTOR FUEL TAX ACT (EXCERPT)**  
**Act 403 of 2000**

\*\*\*\*\* 207.1005.amended THIS AMENDED SECTION IS EFFECTIVE OCTOBER 1, 2015 IF THE  
CONDITION IN ENACTING SECTION 2 OF ACT 468 OF 2014 IS MET \*\*\*\*\*

**207.1005.amended Definitions; R to S.**

Sec. 5. (1) As used in this act:

(a) "Rack" means a mechanism for delivering motor fuel from a refinery, a terminal, or a marine vessel into a railroad tank car, a transport truck, a tank wagon, the fuel supply tank of a marine vessel, or other means of transfer outside of the bulk transfer/terminal system.

(b) "Rate ceiling" means a cents per gallon upper limit on the tax rate determined by the department and imposed on gasoline or diesel fuel under section 8(1)(a) and (b). Beginning with the rate in effect on October 1, 2015, rate ceiling means, for each rate determined under section 8(1), the sum of the rate floor for the applicable period plus 5 cents per gallon.

(c) "Rate floor" means a cents per gallon lower limit on the tax rate determined by the department and imposed on gasoline or diesel fuel under section 8(1)(a) and (b). Beginning with the rate in effect on October 1, 2015, rate floor means 41.7 cents. Beginning on October 1, 2016, the rate floor shall be the rate floor in effect for the immediately preceding year multiplied by 1 plus the lesser of the following:

(i) 0.05.

(ii) The inflation rate.

(d) "Refiner" means a person who owns, operates, or otherwise controls a refinery within the United States.

(e) "Refinery" means a facility used to produce motor fuel from crude oil, unfinished oils, natural gas liquids, or other hydrocarbons and from which motor fuel may be removed by pipeline, by marine vessel, or at a rack.

(f) "Removal" or "removed" means a physical transfer other than by evaporation, loss, or destruction of motor fuel from a terminal, manufacturing plant, customs custody, pipeline, marine vessel, or refinery that stores motor fuel.

(g) "Retail diesel dealer" means a person who sells or distributes diesel fuel to an end user in this state.

(h) "Retail marine diesel dealer" means a person who sells or distributes diesel fuel to an end user in this state for use in boats or other marine vessels.

(i) "Source state" means the state, Canadian province or territory, or foreign country from which motor fuel is imported.

(j) "Stationary engine" means a temporary or permanently affixed engine designed and used to supply power primarily for agricultural or construction work. Stationary engine includes, but is not limited to, an engine powering irrigation equipment, generators, or earth-moving equipment.

(k) "Supplier", in addition to subsection (2), means a person who meets all of the following requirements:

(i) Is subject to the general taxing jurisdiction of this state.

(ii) Is registered under section 4101 of the internal revenue code for transactions in motor fuel in the bulk transfer/terminal distribution system.

(iii) Is any 1 of the following:

(A) The position holder in a terminal or refinery in this state.

(B) A person who imports fuel grade ethanol into this state.

(C) A person who acquires motor fuel from a terminal or refinery in this state from a position holder pursuant to a 2-party exchange.

(D) The position holder in a terminal or refinery outside this state with respect to motor fuel which that person imports into this state on its account.

(2) Supplier also means a person who either produces alcohol or alcohol derivative substances in this state or produces alcohol or alcohol derivative substances for import into a terminal in this state, or who acquires immediately upon import by transport truck, tank wagon, rail car, or marine vessel into a terminal or refinery or other storage facility that is not part of a terminal or refinery, alcohol or alcohol derivative substances. A terminal operator is not considered a supplier merely because the terminal operator handles motor fuel consigned to it within a terminal. Supplier includes a permissive supplier unless otherwise specifically provided in this act.

**History:** 2000, Act 403, Eff. Apr. 1, 2001;—Am. 2002, Act 668, Eff. Apr. 1, 2003;—Am. 2014, Act 468, Eff. (pending).

**Compiler's note:** Enacting section 2 of Act 468 of 2014 provides:

"Enacting section 2. This amendatory act does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a

part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963."