

HOUSE BILL NO. 6178

June 09, 2022, Introduced by Reps. Lilly and Hall and referred to the Committee on Tax Policy.

A bill to amend 2000 PA 403, entitled
"Motor fuel tax act,"
by amending section 8 (MCL 207.1008), as amended by 2015 PA 176.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

5 (a) Except as otherwise provided in subdivision (c), as

1 follows:

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

3 (ii) Beginning January 1, 2017 **and through December 31, 2022,**
4 26.3 cents per gallon on gasoline.

5 **(iii) Beginning January 1, 2023, 20.3 cents per gallon on**
6 **gasoline.**

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

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

11 (ii) Beginning January 1, 2017 **and through December 31, 2022,**
12 26.3 cents per gallon on diesel fuel.

13 **(iii) Beginning January 1, 2023, 20.3 cents per gallon on diesel**
14 **fuel.**

15 (c) Beginning with the rate effective on January 1, 2022 and
16 January 1 of each year thereafter, the department shall determine a
17 cents-per-gallon rate on motor fuel that ~~shall be~~ **is** derived by
18 multiplying the cents-per-gallon rate in effect during the
19 immediately preceding calendar year by 1 plus the lesser of 0.05 or
20 the inflation rate and rounding up the product to the nearest 1/10
21 of a cent.

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

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

27 (4) Tax is also imposed at the rate described in subsection
28 (1) on net gallons of motor fuel, including transmix, lost or
29 unaccounted for, at each terminal in this state. The tax ~~shall must~~

1 be measured annually and ~~shall apply~~**applies** to the net gallons of
2 motor fuel lost or unaccounted for that are in excess of 1/2 of 1%
3 of all net gallons of fuel removed from the terminal across the
4 rack or in bulk.

5 (5) It is the intent of this act:

6 (a) To require persons who operate a motor vehicle on the
7 public roads or highways of this state to pay for the privilege of
8 using those roads or highways.

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

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

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

18 (6) Bills of lading and invoices ~~shall~~**must** identify the
19 blended product and the correct fuel product code. The motor fuel
20 tax rate for each product ~~shall~~**must** be listed separately on each
21 invoice. Licensees shall report the correct fuel product code for
22 the blended product as required by the department. ~~When~~**If** fuel is
23 blended below the terminal rack, new bills of lading and invoices
24 ~~shall~~**must** be generated and submitted to the department ~~upon~~**on**
25 request. All bills of lading and invoices ~~shall~~**must** meet the
26 requirements ~~provided under~~**of** this act.

27 (7) Notwithstanding any other provision of this act, a
28 facility in this state that produces motor fuel and distributes the
29 fuel from a rack for purposes of this act is a terminal, shall

1 obtain a terminal operator license, and shall comply with all
2 terminal operator reporting requirements under this act. A position
3 holder in a facility shall be licensed as a supplier and shall
4 comply with all supplier requirements under this act.

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

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