

**SUBSTITUTE FOR  
SENATE BILL NO. 974**

A bill to amend 2004 PA 175, entitled  
"Streamlined sales and use tax revenue equalization act,"  
by amending sections 3 and 5 (MCL 205.173 and 205.175), section 3  
as amended by 2015 PA 177 and section 5 as amended by 2022 PA 24.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 3. As used in this act:

2           (a) "Alternative fuel" means that term as defined in section  
3 151 of the motor fuel tax act, ~~2000 PA 403,~~ MCL 207.1151.

4           (b) "Department" means the department of treasury.

5           (c) "Diesel fuel" means that term as defined in section 2 of  
6 the motor fuel tax act, ~~2000 PA 403,~~ MCL 207.1002.

7           (d) "Gallon equivalent" means that term as defined in section  
8 151 of the motor fuel tax act, ~~2000 PA 403,~~ MCL 207.1151.

1 (e) "Gasoline" means that term as defined in section 3 of the  
2 motor fuel tax act, ~~2000 PA 403,~~ MCL 207.1003.

3 (f) "Interstate motor carrier" means a person who operates or  
4 causes to be operated a qualified commercial motor vehicle on a  
5 public road or highway in this state and at least 1 other state or  
6 Canadian province.

7 (g) "Motor fuel" means diesel fuel and gasoline.

8 (h) **"Motor fuel tax act" means the motor fuel tax act, 2000 PA**  
9 **403, MCL 207.1001 to 207.1170.**

10 (i) ~~(h)~~ "Person" means an individual, firm, partnership, joint  
11 venture, association, social club fraternal organization, municipal  
12 or private corporation whether or not organized for profit,  
13 company, limited liability company, estate, trust receiver,  
14 trustee, syndicate, the United States, this state, country, or any  
15 other group or combination acting as a unit, and the plural as well  
16 as the singular number, unless the intention to give a more limited  
17 meaning is disclosed by the context.

18 (j) ~~(i)~~ "Qualified commercial motor vehicle" means that term  
19 as defined in section 1 of the motor carrier fuel tax act, 1980 PA  
20 119, MCL 207.211.

21 (k) ~~(j)~~ "Sales tax" means the tax levied under the general  
22 sales tax act, 1933 PA 167, MCL 205.51 to 205.78.

23 (l) ~~(k)~~ "Tax" includes all taxes, interest, or penalties levied  
24 under this act.

25 (m) ~~(l)~~ "Taxpayer" means a person subject to tax under this  
26 act.

27 (n) ~~(m)~~ "Use tax" means the tax levied under the use tax act,  
28 1937 PA 94, MCL 205.91 to 205.111.

29 Sec. 5. (1) ~~There~~ **Before June 15, 2022 and after September 15,**

1 **2022, there** is levied upon and there shall be collected from every  
2 person in this state who is an interstate motor carrier a specific  
3 tax for the privilege of using or consuming motor fuel and  
4 alternative fuel in a qualified commercial motor vehicle in this  
5 state.

6 (2) For motor fuel upon which the tax imposed under subsection  
7 (1) applies, the tax shall be imposed at a cents-per-gallon rate  
8 equal to 6% of the statewide average retail price of a gallon of  
9 self-serve undyed No. 2 ultra-low sulfur diesel fuel or self-serve  
10 unleaded regular gasoline, as applicable, rounded down to the  
11 nearest 1/10 of a cent as determined and certified quarterly by the  
12 department. This tax on motor fuel used by interstate motor  
13 carriers in a qualified commercial motor vehicle ~~shall~~**must** be  
14 collected under the international fuel tax agreement. An interstate  
15 motor carrier is entitled to a credit for 6% of the price of motor  
16 fuel purchased in this state **before June 15, 2022 or after**  
17 **September 15, 2022** and used in a qualified commercial motor  
18 vehicle. This credit ~~shall~~**must** be claimed on the returns filed  
19 under the international fuel tax agreement.

20 (3) For alternative fuel upon which the tax imposed under  
21 subsection (1) applies, the tax shall be imposed at a cents-per-  
22 gallon rate, or cents-per-gallon equivalent rate, as applicable,  
23 equal to 6% of the average retail price of a gallon or gallon  
24 equivalent, as applicable, of the applicable alternative fuel  
25 rounded down to the nearest 1/10 of a cent as determined and  
26 certified quarterly by the department. For purposes of this  
27 subsection, the average retail price is to be based on the  
28 statewide average price of the particular alternative fuel, as  
29 determined by the department, unless the department determines that

1 a statewide average is not readily available. If a statewide  
2 average is not readily available, the department may use available  
3 regional or nationwide average retail pricing information, or when  
4 regional or nationwide pricing information cannot be readily  
5 obtained, may use the average retail price applicable to gasoline  
6 under subsection (2) for compressed natural gas or the average  
7 retail price applicable to diesel fuel under subsection (2) for all  
8 other types of alternative fuel, with adjustments as the department  
9 determines are appropriate to convert gasoline or diesel fuel  
10 prices to prices for alternative fuel.

11 (4) The tax on alternative fuel under subsection (3) used by  
12 interstate motor carriers in a qualified commercial motor vehicle  
13 ~~shall~~**must** be collected under the international fuel tax agreement.  
14 An interstate motor carrier is entitled to a credit for 6% of the  
15 price of alternative fuel purchased in this state **before June 15,**  
16 **2022 or after September 15, 2022** and used in a qualified commercial  
17 motor vehicle. This credit ~~shall~~**must** be claimed on the returns  
18 filed under the international fuel tax agreement.

19 (5) This section does not apply to an interstate motor carrier  
20 to the extent that the interstate motor carrier is exempt from the  
21 requirements of this section under a qualified fuel tax reciprocity  
22 agreement as that term is defined in section 3 of 1960 PA 124, MCL  
23 3.163.

24 Enacting section 1. This amendatory act does not take effect  
25 unless all of the following bills of the 101st Legislature are  
26 enacted into law:

27 (a) Senate Bill No. 972.

28 (b) Senate Bill No. 973.