

# HOUSE BILL NO. 4182

March 06, 2025, Introduced by Reps. Slagh, Hoadley, Bierlein, Johnsen, Thompson, BeGole, Tisdell, Borton, Kelly, Cavitt, Woolford, Kuhn, St. Germaine, Frisbie, DeBoyer, Markkanen, Meerman, Roth, Jenkins-Arno, Prestin, Bollin, Alexander, Steele, Bruck, Lightner, Rigas, Kunse, Martin, Outman and VanderWall and referred to Committee on Transportation and Infrastructure.

A bill to amend 1937 PA 94, entitled  
"Use tax act,"  
by amending sections 6c and 21 (MCL 205.96c and 205.111), section  
6c as added by 2015 PA 263 and section 21 as amended by 2023 PA  
175, and by adding sections 4gg and 4hh.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1           **Sec. 4gg. (1) Notwithstanding section 4k, beginning October 1,**  
2           **2025, the storage, use, or consumption of aviation fuel is exempt**  
3           **from the tax under this act.**

4           **(2) As used in this section, "aviation fuel" means fuel as**  
5           **that term is defined in section 4 of the aeronautics code of the**

1 state of Michigan, 1945 PA 327, MCL 259.4.

2 Sec. 4hh. (1) Beginning October 1, 2025, the storage, use, or  
3 consumption of eligible fuel is exempt from the tax under this act.

4 (2) As used in this section, "eligible fuel" means any fuel  
5 subject to the tax levied under the motor fuel tax act, 2000 PA  
6 403, MCL 207.1001 to 207.1170.

7 Sec. 6c. (1) Beginning April 1, 2016 and each calendar quarter  
8 thereafter **through September 30, 2025**, every person storing, using,  
9 or consuming aviation fuel, the storage, use, or consumption of  
10 which is subject to the tax imposed by this act when the tax was  
11 not paid to a seller, and every seller collecting the tax from the  
12 purchaser from sales of aviation fuel shall, on or before the last  
13 day of the month in the month that immediately follows the end of a  
14 calendar quarter, file an informational report with the department  
15 on a form prescribed by the department showing all of the following  
16 for the immediately preceding calendar quarter:

17 (a) The entire amount of taxable aviation fuel sold or  
18 purchased by the person, as applicable.

19 (b) The amount of tax for which the person is liable from the  
20 purchase or sale of aviation fuel.

21 (c) The number of taxable gallons of aviation fuel sold or  
22 purchased by the person, as applicable, at each airport and the  
23 gross proceeds from the sales or purchase of those gallons of  
24 aviation fuel, as applicable.

25 (d) Any other information the department considers necessary  
26 for the proper administration of this act.

27 (2) The report required under this section ~~shall~~**must** not  
28 include any remittance for tax and does not constitute a return or  
29 otherwise alleviate the person's obligations under section 6.

1           (3) A person required to file the informational report under  
2 this section that fails or refuses to file the informational report  
3 within the time and in the manner specified in this section ~~shall~~  
4 ~~be~~**is** liable for a penalty of \$10.00 per day for each day for each  
5 separate failure or refusal up to, but not exceeding, a maximum  
6 penalty of \$500.00 for each separate violation. The department may  
7 waive the penalty if the taxpayer demonstrates to the satisfaction  
8 of the department that the failure to file was due to reasonable  
9 cause.

10           (4) As used in this section, "aviation fuel" means fuel as  
11 that term is defined in section 4 of the aeronautics code of the  
12 state of Michigan, 1945 PA 327, MCL 259.4.

13           Sec. 21. (1) Except as otherwise provided in this section, all  
14 money received and collected under this act must be deposited by  
15 the department ~~of treasury~~ in the state treasury to the credit of  
16 the general fund, to be disbursed only by appropriations by the  
17 legislature.

18           (2) The collections from the use tax imposed at the additional  
19 rate of 2% approved by the electors on March 15, 1994 must be  
20 deposited in the state school aid fund.

21           (3) In addition to the money deposited in the state school aid  
22 fund under subsection (2), from the money received and collected  
23 under this act for the state share, an amount equal to the sum of  
24 the following, as determined by the department, must be deposited  
25 in the state school aid fund:

26           (a) All revenue lost under the state education tax act, 1993  
27 PA 331, MCL 211.901 to 211.906, as a result of the exemption of  
28 personal property under sections 9m, 9n, and 9o of the general  
29 property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and 211.9o.

1 (b) All revenue lost from basic school operating mills as a  
2 result of the exemption of personal property under sections 9m, 9n,  
3 and 9o of the general property tax act, 1893 PA 206, MCL 211.9m,  
4 211.9n, and 211.9o.

5 (c) All revenue lost to the state school aid fund as a result  
6 of the exemption under section 4(1)(gg).

7 (d) All revenue lost to the state school aid fund as a result  
8 of the exemption under section 4cc. A person that claims an  
9 exemption under section 4cc shall report the purchase price of the  
10 data center equipment as **that term is** defined in section 4cc and  
11 any other information necessary to determine the amount of revenue  
12 lost to the state school aid fund as a result of the exemption  
13 under section 4cc annually on a form at the time and in a manner  
14 prescribed by the department. The report required under this  
15 subdivision must not include any remittance for tax and does not  
16 constitute a return or otherwise alleviate the person's obligations  
17 under section 6.

18 (e) All revenue lost to the state school aid fund as a result  
19 of the exclusion under section 2(1)(f)(xv).

20 (4) Money received and collected under this act for the local  
21 community stabilization share is not state funds, must not be  
22 credited to the state treasury, and must be transmitted to the  
23 authority for deposit in the treasury of the authority, to be  
24 disbursed by the authority only as authorized under the local  
25 community stabilization authority act, 2014 PA 86, MCL 123.1341 to  
26 123.1362. The local community stabilization share is a local tax,  
27 not a state tax, and money received and collected for the local  
28 community stabilization share is money of the authority and not  
29 money of this state.

1           (5) ~~Beginning~~ **Except as otherwise provided in subsection (6),**  
2 **beginning** October 1, 2016 and the first day of each calendar  
3 quarter thereafter, **through September 30, 2025,** from the money  
4 received and collected under this act for the state share, an  
5 amount equal to the collections for the calendar quarter that is 2  
6 calendar quarters immediately preceding the current calendar  
7 quarter of the tax imposed under this act at the additional rate of  
8 2% approved by the electors on March 15, 1994 from the use,  
9 storage, or consumption of aviation fuel must be distributed as  
10 follows:

11           (a) An amount equal to 35% of the collections of the tax  
12 imposed at a rate of 2% on the use, storage, or consumption of  
13 aviation fuel must be deposited in the state aeronautics fund and  
14 must be expended, on appropriation, only for those purposes  
15 authorized in the aeronautics code of the state of Michigan, 1945  
16 PA 327, MCL 259.1 to 259.208.

17           (b) An amount equal to 65% of the collections of the tax  
18 imposed at a rate of 2% on the use, storage, or consumption of  
19 aviation fuel must be deposited in the qualified airport fund and  
20 must be expended, on appropriation, only for those purposes  
21 authorized under section 35 of the aeronautics code of the state of  
22 Michigan, 1945 PA 327, MCL 259.35.

23           (6) ~~The~~ **For fiscal years ending before October 1, 2025, the**  
24 department shall, on an annual basis, reconcile the amounts  
25 distributed under subsection (5) during each fiscal year with the  
26 amounts actually collected for a particular fiscal year and, **except**  
27 **as otherwise provided in this subsection,** shall make any necessary  
28 adjustments, positive or negative, to the amounts to be distributed  
29 for the next successive calendar quarter that begins January 1. The

1 department may transfer money between funds, delay and adjust a  
2 distribution under subsection (5), or take any other action that  
3 the department considers necessary to account for any necessary  
4 adjustments, positive or negative, resulting from the  
5 reconciliation under this subsection for the fiscal year ending  
6 September 30, 2025. For fiscal years ending before October 1, 2025,  
7 the state treasurer or the state treasurer's designee shall  
8 annually provide to the operator of each qualified airport a report  
9 of the reconciliation performed under this subsection. The  
10 reconciliation report is subject to the confidentiality  
11 restrictions and penalties provided in section 28(1)(f) of 1941 PA  
12 122, MCL 205.28.

13 (7) Beginning with the fiscal year ending September 30, 2024  
14 and each fiscal year thereafter, from the money received and  
15 collected under this act for the state share, \$75,000,000.00 must  
16 be deposited into the local government reimbursement fund created  
17 in section 3a of the Michigan trust fund act, 2000 PA 489, MCL  
18 12.253a.

19 (8) As used in this section:

20 (a) "Aviation fuel" means fuel as that term is defined in  
21 section 4 of the aeronautics code of the state of Michigan, 1945 PA  
22 327, MCL 259.4.

23 (b) "Qualified airport" means that term as defined in section  
24 109 of the aeronautics code of the state of Michigan, 1945 PA 327,  
25 MCL 259.109.

26 (c) "Qualified airport fund" means the qualified airport fund  
27 created in section 34(2) of the aeronautics code of the state of  
28 Michigan, 1945 PA 327, MCL 259.34.

29 (d) "State aeronautics fund" means the state aeronautics fund

1 created in section 34(1) of the aeronautics code of the state of  
2 Michigan, 1945 PA 327, MCL 259.34.

3 (e) "State school aid fund" means the state school aid fund  
4 established in section 11 of article IX of the state constitution  
5 of 1963.

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

- 9 (a) House Bill No. 4183 (request no. H00173'25).  
10 (b) House Bill No. 4181 (request no. H00189'25).  
11 (c) House Bill No. 4180 (request no. H00193'25).  
12 (d) House Bill No. 4185 (request no. H00194'25).  
13 (e) House Bill No. 4186 (request no. H01354'25).  
14 (f) House Bill No. 4187 (request no. H02009'25).  
15 (g) House Bill No. 4184 (request no. H02112'25).