

# HOUSE BILL NO. 4183

March 06, 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 and referred to Committee on Transportation and Infrastructure.

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  
6 follows:

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

1 (ii) Beginning January 1, 2017 **and through September 30, 2025,**  
2 26.3 cents per gallon on gasoline.

3 (iii) **Beginning October 1, 2025, 51 cents per gallon on**  
4 **gasoline.**

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

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

9 (ii) Beginning January 1, 2017 **and through September 30, 2025,**  
10 26.3 cents per gallon on diesel fuel.

11 (iii) **Beginning October 1, 2025, 51 cents per gallon on diesel**  
12 **fuel.**

13 (c) ~~Beginning~~ **Except as otherwise provided in this**  
14 **subdivision, beginning** with the rate effective on January 1, 2022  
15 and January 1 of each year thereafter, the department shall  
16 determine a cents-per-gallon rate on motor fuel that ~~shall be is~~  
17 derived by multiplying the cents-per-gallon rate in effect during  
18 the immediately preceding calendar year by 1 plus the lesser of  
19 0.05 or the inflation rate and rounding up the product to the  
20 nearest 1/10 of a cent. **For determining the rate effective on**  
21 **January 1, 2026 only, the cents-per-gallon rate in effect during**  
22 **the immediately preceding calendar year is the average cents-per-**  
23 **gallon rate in effect during the 2025 calendar year.**

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

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

29 (4) Tax is also imposed at the rate described in subsection

1 (1) on net gallons of motor fuel, including transmix, lost or  
2 unaccounted for ~~at~~ at each terminal in this state. The tax ~~shall~~  
3 **must** be measured annually and ~~shall apply~~ **applies** to the net  
4 gallons of motor fuel lost or unaccounted for that are in excess of  
5 1/2 of 1% of all net gallons of fuel removed from the terminal  
6 across the rack or in bulk.

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

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

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

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

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

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

29 (7) Notwithstanding any other provision of this act, a

1 facility in this state that produces motor fuel and distributes the  
2 fuel from a rack for purposes of this act is a terminal, shall  
3 obtain a terminal operator license, and shall comply with all  
4 terminal operator reporting requirements under this act. A position  
5 holder in a facility shall be licensed as a supplier and shall  
6 comply with all supplier requirements under this act.

7 (8) Beginning with the rate in effect on January 1, 2022 and  
8 January 1 of each year thereafter, the department shall publish  
9 notice of the tax rate under this section not later than 30 days  
10 before the effective date of the rate. **The department shall publish**  
11 **notice of the increased rate that applies beginning October 1, 2025**  
12 **not later than September 1, 2025.**

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

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

- 22 (a) House Bill No. 4182 (request no. H00188'25).  
23 (b) House Bill No. 4181 (request no. H00189'25).  
24 (c) House Bill No. 4180 (request no. H00193'25).  
25 (d) House Bill No. 4185 (request no. H00194'25).  
26 (e) House Bill No. 4186 (request no. H01354'25).  
27 (f) House Bill No. 4187 (request no. H02009'25).  
28 (g) House Bill No. 4184 (request no. H02112'25).