

SUBSTITUTE FOR
HOUSE BILL NO. 4183

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.

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

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

3 (b) Except as otherwise provided in subdivision (c), as
4 follows:

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

7 (ii) Beginning January 1, 2017 **and through September 30, 2025,**
8 26.3 cents per gallon on diesel fuel.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 23 (a) House Bill No. 4180.
24 (b) House Bill No. 4181.
25 (c) House Bill No. 4182.
26 (d) House Bill No. 4184.
27 (e) House Bill No. 4185.
28 (f) House Bill No. 4186.
29 (g) House Bill No. 4187.

1 (h) House Bill No. 4230.