

HOUSE BILL NO. 5435

December 23, 2025, Introduced by Rep. Outman and referred to Committee on Transportation and Infrastructure.

A bill to amend 2000 PA 403, entitled
"Motor fuel tax act,"
by amending the title and section 53 (MCL 207.1053), section 53 as
amended by 2015 PA 176, and by adding sections 157, 158, and 158a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE
2 An act to prescribe a tax on the sale and use of certain types
3 of fuel in motor vehicles on the public roads or highways of this
4 state and on certain other types of gas **and electricity**; to

1 prescribe the manner and the time of collection and payment of this
 2 tax and the duties of officials and others pertaining to the
 3 payment and collection of this tax; to provide for the licensing of
 4 persons involved in the sale, use, or transportation of motor fuel,
 5 **alternative fuel, and electric fuel** and the collection and payment
 6 of the tax imposed by this act; to prescribe fees; to prescribe
 7 certain other powers and duties of certain state agencies and other
 8 persons; to provide for exemptions and refunds and for the
 9 disposition of the proceeds of this tax; to provide for
 10 appropriations from the proceeds of this tax; to prescribe remedies
 11 and penalties for the violation of this act; **to allow the**
 12 **promulgation of rules**; and to repeal acts and parts of acts.

13 Sec. 53. (1) A person shall not engage in a business activity
 14 in this state ~~where~~ **for which** a license is required by this act
 15 unless the person is licensed under this act.

16 (2) A person required to be licensed under this act shall
 17 apply for a license on a form or in a format prescribed by the
 18 department.

19 (3) An application for a license under this act may contain
 20 any information the department may reasonably require to administer
 21 this act including the applicant's federal identification number.

22 (4) The following persons currently licensed on April 1, 2001
 23 are not required to obtain a new license under this act and ~~shall~~
 24 ~~be~~ **are** considered licensed under this act:

25 (a) A person licensed in this state as a supplier on April 1,
 26 2001 ~~shall be~~ **is** considered licensed as a supplier under this act
 27 but only if the person is a terminal operator or a position holder
 28 in a terminal on April 1, 2001.

29 (b) A wholesale distributor who on April 1, 2001 possesses a

valid exemption certificate issued under ~~former~~ section 12 of
~~former~~ 1927 PA 150 ~~shall be~~ **is** considered licensed as a fuel vendor
 under this act.

(c) A person licensed in this state as an exporter on April 1,
 2001 ~~shall be~~ **is** considered licensed as an exporter under this act.

(d) A person licensed in this state as a liquid fuel hauler on
 April 1, 2001 ~~shall be~~ **is** considered licensed as a transporter
 under this act.

(e) A person licensed in this state as a retail dealer of
 diesel motor fuel on April 1, 2001 ~~shall be~~ **is** considered licensed
 as a retail diesel dealer under this act.

(5) A person considered licensed under subsection (4) is
 subject to all of the provisions of this act except those requiring
 an application for a new license.

(6) Except as otherwise provided in this act, a person who is
 engaged in more than 1 business activity for which a license is
 required under this act shall be licensed for each business
 activity.

(7) A person who is licensed as a supplier is not required to
 obtain a separate license for any other business activity for which
 a license is required under this act except as a retail diesel
 dealer, **as an electric fuel commercial user under sections 157 to**
158a, or as an alternative fuel dealer or alternative fuel
 commercial user under sections 151 to 155.

(8) A person who negligently violates this section is subject
 to a civil penalty of \$1,000.00.

(9) A person who knowingly violates or knowingly aids and
 abets another to violate this section is guilty of a felony.

Sec. 157. As used in this section and sections 158 and 158a:

1 (a) "Electric fuel" means electricity.

2 (b) "Electric fuel commercial user" means a motor carrier that
3 is a consumer or end user of electric fuel to propel a qualified
4 commercial motor vehicle on the public roads and highways of this
5 state.

6 (c) "Motor carrier" means a person who operates or causes to
7 be operated a qualified commercial motor vehicle on a public road
8 or highway in this state.

9 (d) "Qualified commercial motor vehicle" means that term as
10 defined in section 1 of the motor carrier fuel tax act, 1980 PA
11 119, MCL 207.211, except that qualified commercial motor vehicle
12 includes a road tractor, truck, or truck tractor used exclusively
13 in this state.

14 Sec. 158. (1) Beginning on the effective date of the
15 amendatory act that added this section, an electric fuel commercial
16 user shall pay a tax calculated on the amount of electric fuel
17 consumed in qualified commercial motor vehicles on the public roads
18 or highways in this state.

19 (2) The amount of the tax owed under this section during a
20 time period is the electric fuel rate multiplied by the number of
21 miles driven on this state's public roads during that time period
22 by the electric fuel commercial user's qualified commercial
23 vehicles that consume electric fuel.

24 (3) The electric fuel rate must be calculated by dividing the
25 rate prescribed under section 8(1) for motor fuel for a time period
26 by the electric fuel commercial user's average miles per gallon
27 equivalent for all vehicles in the electric fuel commercial user's
28 fleet that consume electric fuel.

29 (4) The tax imposed under this section must be paid by an

1 electric fuel commercial user to the department in the same manner
2 and under the same procedures as a motor carrier under the motor
3 carrier fuel tax act, 1980 PA 119, MCL 207.211 to 207.234.

4 (5) The tax imposed under this section does not apply to
5 electric fuel used in this state for the operation of a motor
6 vehicle other than a qualified commercial motor vehicle.

7 (6) The tax imposed on the use of electric fuel under this
8 section is imposed in lieu of all other taxes imposed or to be
9 imposed on the use of electric fuel by this state or a political
10 subdivision of this state, except the taxes imposed by the motor
11 carrier fuel tax act, 1980 PA 119, MCL 207.211 to 207.234.

12 Sec. 158a. (1) A person shall not act as an electric fuel
13 commercial user unless the person is licensed under this act.

14 (2) To obtain a license as an electric fuel commercial user,
15 an applicant shall file with the department an application on a
16 form or in a format prescribed by the department. The application
17 must include the name and address of the applicant and each place
18 of business to be operated by the applicant at which electric fuel
19 will be used and any other information required by the department.

20 (3) When applying for the license, an applicant for an
21 electric fuel commercial user license shall pay to the department a
22 license fee of \$50.00.

23 (4) An applicant for a license or a licensee under this
24 section is subject to the general licensing and bonding
25 requirements of this act.

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

29 (a) House Bill No. 5434 (request no. H00427'25).

1 (b) House Bill No. 5433 (request no. H00427'25 a).