



# SENATE BILL No. 1082

April 12 1994 Introduced by Senators MC MANUS, PRIDNIA  
GEAKE and BERRYMAN and referred to the Committee on  
Finance

A bill to amend section 12 of Act No 150 of the Public Acts  
of 1927, entitled as amended

"An act to prescribe a privilege tax for the use of the public  
highways by owners and drivers of motor vehicles by imposing a  
specific tax upon the sale or use within the state of Michigan  
of motor fuel to prescribe the manner and the time of paying  
this tax and the duties of officials and others respecting the  
payment and collection of this tax to provide for the licensing  
of wholesale distributors, certain retail dealers, exporters and  
suppliers as defined in this act to fix a time when this tax and  
interest and penalties thereon become a lien upon the property of  
persons, firms partnerships, associations or corporations,  
subject to the payment of this tax to provide for the enforce-  
ment of this lien to permit the inspection and testing of petro-  
leum products to provide for certain exemptions and refunds and  
for the disposition of the proceeds of this tax and to prescribe  
penalties for the violation of this act,"

as amended by Act No 225 of the Public Acts of 1992, being sec-  
tion 207 112 of the Michigan Compiled Laws

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 12 of Act No 150 of the Public Acts of  
2 1927, as amended by Act No 225 of the Public Acts of 1992, being

1 section 207 112 of the Michigan Compiled Laws, is amended to read  
2 as follows

3       Sec 12     (1) The state government and the federal govern-  
4 ment using gasoline in a state or federally owned motor vehicle,  
5 and a political subdivision of the state using gasoline in a  
6 vehicle owned by or leased and operated by the political subdivi-  
7 sion of the state, are exempt from the tax on gasoline levied by  
8 this act

9       (2) The purchaser of gasoline used for a purpose other than  
10 the operation of a motor vehicle on the public roads, streets,  
11 and highways of this state, a person operating a passenger vehi-  
12 cle of a capacity of 5 or more under a municipal franchise,  
13 license, permit, agreement, or grant, respectively, a person  
14 operating a passenger vehicle for the transportation of school  
15 students under a certificate of authority issued by the state  
16 transportation department pursuant to section 5 of article -2- II  
17 of Act No 254 of the Public Acts of 1933, being section 476 5  
18 of the Michigan Compiled Laws and community action agencies as  
19 described in ~~title 2 of the economic opportunity act of 1964, 42~~  
20 ~~U S C 2781 to 2837, which are not a part or division of a~~  
21 ~~political subdivision of this state~~ SECTION 8 OF THE MICHIGAN  
22 ECONOMIC AND SOCIAL OPPORTUNITY ACT OF 1981, ACT NO 230 OF THE  
23 PUBLIC ACTS OF 1981 BEING SECTION 400 1108 OF THE MICHIGAN  
24 COMPILED LAWS shall be entitled to a refund of the tax on the  
25 gasoline Community action agencies shall make the refund a  
26 state-contributed non-federal share to grants received by such  
27 community action agencies from the community services

1 administration under title 221 of the economic opportunity act of  
2 1964, as amended by filing a verified claim with the department  
3 upon forms prescribed and to be furnished by it, within 1 year  
4 after the date of purchase as shown by the invoice A claim  
5 mailed within the 1-year period as evidenced by the postmark,  
6 when received by the department, shall be considered as filed  
7 within the required time An amount equal to the tax levied pur-  
8 suant to section 2 shall be refunded to each person operating a  
9 passenger vehicle of a capacity of 5 or more under a municipal  
10 franchise license permit, agreement, or grant respectively,  
11 and operated over regularly traveled routes expressly provided  
12 for in the municipal licenses permits, agreements or grants and  
13 to each person operating a passenger vehicle for the transporta-  
14 tion of school students under a certificate of authority issued  
15 by the state transportation department The retail dealer shall  
16 furnish the purchaser with an invoice showing the amount of gas-  
17 oline purchased the date of purchase, and the amount of tax on  
18 the purchase and the dealer shall at the request of the depart-  
19 ment immediately supply the department with a copy of an invoice  
20 issued by the dealer during a 1-year period preceding the  
21 request A claim for a refund shall have attached to the claim  
22 the original invoice received by the purchaser and, when approved  
23 by the department, shall be paid out of the Michigan transporta-  
24 tion fund upon the warrant of the state treasurer A claim for a  
25 refund shall not be assignable without the prior written consent  
26 of the department If the verified claim of the purchaser, in  
27 form and content as prescribed by the department shall show or

1 it shall otherwise appear that the amount of gasoline used by the  
2 purchaser for purposes on which the taxes under the general sales  
3 tax act, Act No 167 of the Public Acts of 1933, as amended,  
4 being sections 205 51 to 205 78 of the Michigan Compiled Laws,  
5 are deductible pursuant to section 4a(f) of Act No 167 of the  
6 Public Acts of 1933, as amended, being section 205 54a of the  
7 Michigan Compiled Laws is not the total amount included in the  
8 statement of the transferee under section 4a(f) of Act No 167  
9 of the Public Acts of 1933 as amended, the department shall  
10 deduct from the amount of the refund authorized by this section  
11 the rate of sales tax as is established in Act No 167 of the  
12 Public Acts of 1933 as amended, applicable to the retail sales  
13 price paid by the transferee on that portion of the gasoline not  
14 used for purposes described in section 4a(f) of Act No 167 of  
15 the Public Acts of 1933, as amended, and shall transfer the sales  
16 tax so deducted to the sales tax account of the department The  
17 purchaser of gasoline used for the operation of a snowmobile as  
18 defined and regulated by Act No 74 of the Public Acts of 1968  
19 as amended being sections 257 1501 to 257 1518 of the Michigan  
20 Compiled Laws shall not be entitled to a refund under this  
21 section

22 (3) The department shall issue to each wholesale distributor  
23 who purchases gasoline or diesel motor fuel for an exempt purpose  
24 an exemption certificate upon the wholesale distributor filing a  
25 request for the certificate The certificate shall be valid  
26 until the end of the calendar year in which the request was  
27 filed On or before the twentieth day of the month following the

1 close of the reporting period, the wholesale distributor shall  
2 file with the department on forms prescribed by the department, a  
3 report showing the number of gallons of gasoline and diesel motor  
4 fuel received from a supplier or purchased from a wholesale dis-  
5 tributor for a tax exempt purpose and the number of gallons of  
6 gasoline and diesel motor fuel sold for a tax exempt purpose  
7 The wholesale distributor shall maintain records of purchases and  
8 sales as prescribed by the department for a period of 4 years  
9 ~~Each~~ FOR GASOLINE, EACH wholesale distributor shall at time of  
10 filing the report required under this subsection pay to the  
11 department the amount of tax payable at the applicable rate per  
12 gallon on all gallons received tax exempt but not sold for tax  
13 exempt purposes during the reporting period NOTWITHSTANDING  
14 SECTION 3(1), FOR DIESEL MOTOR FUEL, EACH WHOLESALE DISTRIBUTOR  
15 SHALL AT THE TIME OF FILING THE REPORT REQUIRED UNDER THIS SUB-  
16 SECTION PAY TO THE DEPARTMENT THE AMOUNT OF TAX PAYABLE AT THE  
17 APPLICABLE RATE PER GALLON ON ALL GALLONS RECEIVED TAX EXEMPT BUT  
18 NOT SOLD FOR TAX EXEMPT PURPOSES DURING THE REPORTING PERIOD  
19 EXCEPT FOR THOSE GALLONS RECEIVED TAX EXEMPT WHICH HAVE NOT BEEN  
20 SOLD AND ARE HELD IN THE WHOLESALERS BULK PLANT AS DEFINED BY  
21 THIS ACT Any liability for tax on taxable gallons in excess of  
22 15¢ of the amount of tax actually paid to a supplier shall be  
23 treated as an underpayment of tax due as of the earliest date  
24 during the 3-month period during which tax is due to the supplier  
25 and shall be subject to the interest and penalties prescribed in  
26 Act No 122 of the Public Acts of 1941, being sections 205 1 to  
27 205 31 of the Michigan Compiled Laws At the time of the filing

1 of the report required by this section, the wholesale distributor  
2 may file a claim for refund for taxes paid to a licensed supplier  
3 or the state on gasoline or diesel motor fuel sold during report-  
4 ing period for tax exempt purposes

5       (4) For purposes of this section, reporting periods shall be  
6 January 1 through March 31 April 1 through June 30, July 1  
7 through September 30, and October 1 through December 31