

**HB 4841, As Passed Senate, March 5, 1998**

A bill to amend 1927 PA 150, entitled

"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 enforcement of this lien; to permit the inspection and testing of petroleum 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,"

by amending sections 12a and 22 (MCL 207.112a and 207.122), section 22 as amended by 1995 PA 52.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 12a. The purchaser of gasoline for use in school buses  
2 owned [BY OR LEASED] and operated by nonprofit private, parochial or  
3 denominational schools, colleges and universities and used in the

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House Bill No. 4841

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1 transportation of students to and from school, and to and from  
2 school functions authorized by the administration of the eligible  
3 institution, shall be ~~entitled to a refund of the tax paid~~  
4 ~~thereon, and the provisions of section 12 with respect to refunds~~  
5 ~~shall govern~~ EXEMPT FROM THE TAX ON GASOLINE LEVIED BY THIS  
6 ACT.

7       Sec. 22. (1) There shall be allowed a discount of 6 cents  
8 per gallon of the tax imposed on diesel motor fuel pursuant to  
9 section 2(1) if the diesel motor fuel is delivered into the fuel  
10 supply tanks of a commercial motor vehicle licensed under the  
11 motor carrier fuel tax act, ~~Act No. 119 of the Public Acts of~~  
12 ~~1980, being sections 207.211 to 207.235 of the Michigan Compiled~~  
13 ~~Laws~~ 1980 PA 119, MCL 207.211 TO 207.234.

14       (2) The tax on diesel motor fuel sold and delivered in this  
15 state by the retailer into the fuel supply tanks of motor vehi-  
16 cles shall be collected by the supplier and paid over monthly to  
17 the department except that the retail dealer shall pay over  
18 monthly to the department 6 cents of the tax imposed under  
19 section 2 for each gallon sold for delivery into or supplied into  
20 the fuel supply tanks of a motor vehicle that is not a commercial  
21 motor vehicle licensed under ~~Act No. 119 of the Public Acts of~~  
22 ~~1980~~ THE MOTOR CARRIER FUEL TAX ACT, 1980 PA 119, MCL 207.211 TO  
23 207.234, and eligible for discount allowed under subsection (1).  
24 Each diesel motor fuel retailer shall invoice sales of diesel  
25 motor fuel as prescribed by the department. Persons operating  
26 passenger vehicles of a capacity of 10 or more under a  
27 certificate of public convenience and necessity issued by the

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H.B. 4841 as amended December 9, 1997

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1 Michigan public service commission, or under a municipal  
2 franchise, license, permit, agreement, or grant, respectively,  
3 and operating over regularly traveled routes expressly provided  
4 for in the certificate of convenience and necessity, or municipal  
5 license, permit, agreement, or grant, shall be entitled to a  
6 refund of the tax paid in the manner provided in section 12.  
7 Refunds provided for under this section to a state certificated  
8 operator of an intercity motor bus, shall apply only to those  
9 gallons of diesel motor fuel producing mileage traveled by each  
10 intercity motor bus over regular routes or on charter trips or  
11 portions of charter trips within this state. The tax shall apply  
12 to diesel motor fuel delivered in this state into the storage of  
13 a user or acquired by a user in any manner.

14 (3) An end use purchaser who has paid the tax on diesel  
15 motor fuel may claim a refund of the tax paid on diesel motor  
16 fuel used by the purchaser while operating a motor vehicle at a  
17 plant or jobsite while not on the public roads and highways of  
18 this state. The department may determine the formulae, methodol-  
19 ogy, and documentation necessary to implement this subsection.

20 (4) A tax is not imposed OR COLLECTED under this act ~~nor~~  
21 ~~shall a tax be collected,~~ on diesel motor fuel used in motor  
22 vehicles owned by or leased and operated by a political subdivi-  
23 sion of this state, or motor vehicles owned and operated by this  
24 state or the federal government.

25 ~~The purchaser of~~ A TAX IS NOT IMPOSED OR COLLECTED  
26 UNDER THIS ACT ON diesel motor fuel PURCHASED for use in school  
27 buses owned [BY OR LEASED] and operated by nonprofit private,  
parochial, or

1 denominational schools, colleges, and universities and used in  
2 the transportation of students to and from school, ~~and~~ OR to  
3 and from school functions authorized by the administration of the  
4 eligible institution. ~~, shall be entitled to a refund of the tax~~  
5 ~~paid in the manner provided in section 12. This subsection shall~~  
6 ~~apply to purchases made after December 31, 1994 for which the~~  
7 ~~documentation required by section 12 is furnished.~~

8 (6) A tax is not imposed OR COLLECTED under this act ~~, nor~~  
9 ~~shall a tax be collected~~ by a supplier of diesel motor fuel if  
10 the fuel is purchased by an end user for any of the following  
11 purposes or for resale to an end user for any of the following  
12 purposes:

- 13 (a) For off-highway use.
- 14 (b) For use as a home heating oil.
- 15 (c) For export in compliance with section 3.
- 16 (d) For use as other than motor fuel.
- 17 (e) For use in trains.