

Legislative Analysis



EXEMPTION FOR AVIATION FUEL USED IN AUTO RACING VEHICLES

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House Bill 5582

Sponsor: Rep. Steve Bieda

House Bill 5583

Sponsor: Rep. Tonya Schuitmaker

Committee: Tax Policy

Complete to 1-28-08

A SUMMARY OF HOUSE BILLS 5582 AND 5583 AS INTRODUCED 12-13-07

The bills would provide an exemption from the aviation fuel tax and the motor fuel tax for aviation fuel bought for the formulation of leaded racing fuel to be used only by racing vehicles for a non-highway purpose.

House Bill 5582 would amend the Aeronautics Code (MCL 259.203). House Bill 5583 would amend the Motor Fuel Tax Act (MCL 207.1030 et al.). The two bills are tie-barred, meaning that neither can take effect unless both are enacted.

House Bill 5583 would also amend a provision that, generally speaking, prohibits the sale or use of aviation fuel for use other than as aviation fuel. The bill would say that this provision would not prohibit a person from selling, using, or labeling motor fuel identified as aviation fuel in the formulation of leaded racing fuel.

BACKGROUND INFORMATION:

Public Act 277 of 2006 (House Bill 5959) amended the Motor Fuel Tax Act to exclude leaded racing fuel from the definitions of "motor fuel" and "gasoline." This provided leaded racing fuel an exemption from the motor fuel tax.

FISCAL IMPACT:

The fiscal impact is indeterminate.

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