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House Bill 5582 (Substitute H-1 as reported without amendment)  
House Bill 5583 (Substitute H-1 as reported without amendment)  
Sponsor: Representative Steve Bieda (H.B. 5582)  
Representative Tonya Schuitmaker (H.B. 5583)  
House Committee: Tax Policy  
Senate Committee: Transportation

### **CONTENT**

House Bills 5582 (H-1) and 5583 (H-1) would amend the Aeronautics Code and the Motor Fuel Tax Act, respectively, to exempt aviation fuel that was purchased to formulate leaded racing fuel (LRF) from the aviation fuel tax and the motor fuel tax.

The purchaser would have to certify in writing to the seller that the aviation fuel was being purchased solely for the purpose of formulating LRF, and the aviation fuel would have to be identified on shipping papers and invoices as "aviation fuel exempt for LRF".

Each bill would take effect 60 days after it was enacted into law. The two bills are tie-barred to one another.

MCL 259.203 (H.B. 5582)  
207.1030 & 207.1094 (H.B. 5583)

Legislative Analyst: Curtis Walker

### **FISCAL IMPACT**

Revenue from the motor fuels tax on aviation fuel is deposited into the State Aeronautics Fund for use by the Aeronautics and Freight Services Division of the Michigan Department of Transportation. While the bills would likely reduce the amount of revenue to the Fund, the exact amount cannot be determined because it is unknown how many exemptions would be claimed.

There are no data to indicate whether fewer offenders would be convicted of selling aviation fuel for use other than as aviation fuel, if people were allowed to sell or use motor fuel identified as aviation fuel exempt for leaded racing fuel. To the extent that the bill decreased convictions, local governments would incur decreased costs of incarceration in local facilities, which vary by county. The State would incur decreased costs of felony probation at an annual average cost of \$2,000, as well as the cost of incarceration in a State facility at an average annual cost of \$33,000.

Date Completed: 2-27-08

Fiscal Analyst: Lindsay Hollander  
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