

SENATE BILL NO. 814

January 12, 2022, Introduced by Senator DALEY and referred to the Committee on Agriculture.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.847) by adding sections 277 and 677.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 277. (1) For tax years beginning on and after January 1,
2 2023 through December 31, 2027, a taxpayer who is a retail dealer
3 may claim a credit against the tax imposed by this part equal to
4 the sum of the following:

5 (a) \$0.05 per gallon of E15 fuel that the retail dealer sells
6 and dispenses through metered pumps at the retail dealer's motor

1 fuel site during the tax year.

2 (b) \$0.085 per gallon of E85 fuel that the retail dealer sells
3 and dispenses through metered pumps at the retail dealer's motor
4 fuel site during the tax year.

5 (2) For a taxpayer who is a member of a flow-through entity
6 that qualifies for the credit under this section, that taxpayer may
7 claim a credit against the member's tax liability under this part
8 based on the member's distributive share of business income
9 reported from that flow-through entity or an alternative method
10 approved by the department.

11 (3) If the credit allowed under this section for the tax year
12 exceeds the tax liability of the taxpayer for the tax year, that
13 portion of the credit that exceeds the tax liability shall be
14 refunded.

15 (4) As used in this section:

16 (a) "E15 fuel" means gasoline blended with more than 10% of
17 ethanol but not more than 15% of ethanol by volume.

18 (b) "E85 fuel" means a high-level ethanol-gasoline blend
19 containing more than 50% of ethanol but not more than 83% of
20 ethanol by volume and that is suitable for use in flexible fuel
21 vehicles.

22 (c) "Motor fuel site" means an establishment at which motor
23 fuel is sold or offered for sale to the public.

24 (d) "Retail dealer" means the ultimate vendor as that term is
25 defined in section 6 of the motor fuel tax act, 2000 PA 403, MCL
26 207.1006.

27 Sec. 677. (1) For tax years beginning on and after January 1,
28 2023 through December 31, 2027, a taxpayer who is a retail dealer
29 may claim a credit against the tax imposed by this part equal to

1 the sum of the following:

2 (a) \$0.05 per gallon of E15 fuel that the retail dealer sells
3 and dispenses through metered pumps at the retail dealer's motor
4 fuel site during the tax year.

5 (b) \$0.085 per gallon of E85 fuel that the retail dealer sells
6 and dispenses through metered pumps at the retail dealer's motor
7 fuel site during the tax year.

8 (2) If the credit allowed under this section for the tax year
9 exceeds the tax liability of the taxpayer for the tax year, that
10 portion of the credit that exceeds the tax liability shall be
11 refunded.

12 (3) As used in this section:

13 (a) "E15 fuel" means gasoline blended with more than 10% of
14 ethanol but not more than 15% of ethanol by volume.

15 (b) "E85 fuel" means a high-level ethanol-gasoline blend
16 containing more than 50% of ethanol but not more than 83% of
17 ethanol by volume and that is suitable for use in flexible fuel
18 vehicles.

19 (c) "Motor fuel site" means an establishment at which motor
20 fuel is sold or offered for sale to the public.

21 (d) "Retail dealer" means the ultimate vendor as that term is
22 defined in section 6 of the motor fuel tax act, 2000 PA 403, MCL
23 207.1006.