

GENERAL SALES TAX ACT (EXCERPT)
Act 167 of 1933

205.54gg Sale of eligible fuel; exemption; definitions.

Sec. 4gg.

(1) Beginning January 1, 2026, the sale of eligible fuel is exempt from the tax under this act.

(2) As used in this section:

(a) "Alternative fuel" means that term as defined in section 151 of the motor fuel tax act, 2000 PA 403, MCL 207.1151.

(b) "Eligible fuel" means motor fuel, alternative fuel, and leaded racing fuel, except that eligible fuel does not include any of the following:

(i) Motor fuel that is sold for use in aircraft if the purchaser paid the privilege tax imposed by section 203 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.203, on the motor fuel and the purchaser is registered under section 94 of the motor fuel tax act, 2000 PA 403, MCL 207.1094, if required to be registered under that section.

(ii) Aviation fuel on which the privilege tax is due under section 203 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.203.

(iii) Motor fuel on which the privilege tax imposed under section 203 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.203, has been paid and that is identified on the shipping paper or invoice as aviation fuel and sold as aviation fuel.

(iv) Motor fuel or alternative fuel sold for residential, commercial, or industrial use for heating, cooling, or ventilation purposes, such as for use in home or building utility systems, furnaces, boilers, space heaters, water heaters, dryers and similar appliances, and heat pumps, including, but not limited to, motor fuel or alternative fuel that is exempt from the sales tax at the additional rate of 2% approved by the electors on March 15, 1994 under section 4n.

(v) Liquefied petroleum gas, unless the liquefied petroleum gas is used or for use as those terms are defined in section 151(j) of the motor fuel tax act, 2000 PA 403, MCL 207.1151.

(c) "Leaded racing fuel" means that term as defined in section 4 of the motor fuel tax act, 2000 PA 403, MCL 207.1004.

(d) "Liquefied petroleum gas" means that term as defined in section 151 of the motor fuel tax act, 2000 PA 403, MCL 207.1151.

(e) "Motor fuel" means that term as defined in section 4 of the motor fuel tax act, 2000 PA 403, MCL 207.1004.

History: Add. 2025, Act 17, Imd. Eff. Oct. 7, 2025