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STATE OF MICHIGAN
DEPARTMENT OF TREASURY
TREASURY BUILDING
LANSING, MICHIGAN 48922

REVENUE ADMINISTRATIVE BULLETIN 1990-20

Approved: July 12, 1990

MOTOR FUEL TAX
WHOLESALE DISTRIBUTOR
2% EVAPORATION AND LOSS DEDUCTION
CURRENT BILLING RATE

RAB-90-20. This bulletin provides the current billing rate to be used by wholesale distributors when calculating the amount of tax statutorily required to have been paid or credited to registered retail dealers pursuant to MCL 207.108(1); MSA 7.298(1).

Law

MCL 207.108(1); MSA 7.298(1) provides in relevant part:

In computing the tax, a deduction of 2% of the quantity of gasoline received shall be deducted to allow for evaporation and loss. At the time of filing the report and paying the tax, the wholesale distributor shall submit satisfactory evidence to the department that the amount of tax represented by 1/3 of the deduction shall have been paid or credited to the registered retail dealers on quantities sold to them during the period covered by the report.

Revenue Administrative Bulletin 1988-10 clarifies the statutory requirement that one-third of the loss deduction be passed on to retail dealers.

Current Billing Rate

Based upon the current gasoline tax rate of \$.15 per gallon, the current billing rate to be used by wholesale distributors is \$.149 per gallon when billing the retail dealer. This current rate reflects a reduction attributable to one-third of the loss deduction which a wholesale distributor is required to pass on to the retail dealer.

A wholesale distributor may also refund or credit the one-third of the loss deduction to the retail dealer. If this approach is taken, the wholesale distributor shall maintain proper documentation showing this refund.