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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

ROBERT J. KLEINE
STATE TREASURER

December 2007

Special Notice

***Rate Change for Undyed Diesel Fuel Containing at Least 5%
Biodiesel and Gasoline Containing at Least 70% Ethanol
Effective January 1, 2008***

Rate Change

Effective January 1, 2008 the fuel tax rate for undyed diesel fuel containing at least 5% biodiesel ("Biodiesel Blends") is increased to 15 cents per gallon and the fuel tax rate for gasoline containing at least 70% ethanol ("Ethanol Blends") is increased to 19 cents per gallon. These changes in the tax rates are based on the statutory requirements in the Motor Fuel Tax Act. MCL 207.1008(11)

Inventory Report for Resellers With Bulk Storage in Michigan

Section 10 of the Motor Fuel Tax Act requires that when a rate of tax imposed by the Act is increased, the increased rate of tax applies to certain motor fuel held in storage. MCL 207.1010. Anyone with tax-paid bulk storage of undyed Biodiesel Blends or Ethanol Blends held in bulk storage for resale must complete the enclosed Alternative Fuels Inventory Report Form for Resellers (form 4613). All undyed Biodiesel Blends of 5% or higher and Ethanol Blends of 70% to 99% that are in bulk storage, including transport trucks, at the close of business on December 31, 2007 must be included on the report.

If you do not maintain an inventory of Biodiesel Blends or Ethanol Blends, mark the box provided on the form, and return it to the address on the front of the report. Your inventory report form with payment, if applicable, must be postmarked by January 22, 2008.

Licensed Blenders

Although the blender's license required by MCL 207.1008 (1) (c) and (d) will no longer be in effect as of January 1, 2008, if you continue to produce Biodiesel Blends and Ethanol Blends you will still be subject to MCL 207.1093 which requires that you be licensed as a blender and file returns. In connection with filing any required monthly blender returns or other reports, you must continue to use the current product codes for Biodiesel Blends or Ethanol Blends.

If you have any questions concerning this Notice, please call the Customer Contact Division, Special Taxes Section at (517) 636-4600.