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STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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NOTICE TO ALL LICENSED SUPPLIERS

April 2018

SUBJECT: 100% BIODIESEL (PRODUCT CODES B00 AND 284)

The Department of Treasury will introduce the Michigan Automated Tax System (MiMATS) – Treasury’s new Motor Fuel tax processing system on July 30, 2018. This new system implementation will also change a current filing requirement regarding product codes B00 and 284.

The Department has determined that each of product codes B00 and 284 (100% biodiesel) falls within the definition of an “excluded liquid” as that term is defined under section 2(t) of the Motor Fuel Tax Act (MFTA), MCL 207.1002(t). Accordingly, product codes B00 and 284 are not taxable under the MFTA unless blended with motor fuel. If either of product codes B00 or 284 are blended with motor fuel, the entire biodiesel blend is taxable under the MFTA as motor fuel under MCL 207.1020.

The change to reporting concerning these two product codes starts with the July 2018 return period (due August 20). All transactions with destinations of Michigan and outside of Michigan previously reported on a schedule 5 (Michigan taxable gallons) and schedule 7B (Michigan taxable gallons sold for export) must be reported on a schedule 6 (tax exempt fuel).

Please note: 99.9% biodiesel must be reported as product code B99 and is subject to the motor fuel tax under MCL 207.1020.

For the latest updates to the Motor Fuel tax processing system, visit “What’s New” at michigan.gov/motorfueltax or contact the Motor Fuel Tax Unit at 517-636-4600.