



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

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**REVENUE ADMINISTRATIVE BULLETIN 2002-6**

**Approved: March 28, 2002**

**LIQUEFIED PETROLEUM GAS (LPG); LICENSING AND REFUNDS**

(Replaces Revenue Administrative Bulletin 1988-4)

**RAB 2002-6.** The purpose of this Revenue Administrative Bulletin (RAB) is to clarify certain provisions of the liquefied petroleum gas tax. A tax at a rate of 15 cents per gallon is imposed upon all liquefied petroleum gas (LPG) used in this state. [MCL 207.1152]

The term "Use" as used in Sections 152 to 155 of the Motor Fuel Tax Act is defined in Section 151 of the Motor Fuel Tax Act, MCL 207.1151(c).

The term "Use" means any of the following:

1. Selling or delivering liquefied petroleum gas not otherwise subject to tax under this act, either by placing it into a permanently attached fuel supply tank of a motor vehicle, or exchanging or replacing of the fuel supply tank of a motor vehicle.
2. Delivery of liquefied petroleum gas into storage, devoted exclusively to the storage of liquefied petroleum gas to be consumed in motor vehicles on the public roads or highways.
3. Withdrawing of liquefied petroleum gas from the cargo tank of a truck, trailer or semi-trailer for the operation of a motor vehicle upon the public roads and highways of this state, whether used in vapor or liquid form.

Responsibility for Being Licensed

A person shall not act as a LPG dealer unless the person is licensed under the act. The term "LPG dealer" is defined in section 151 of the Motor Fuel Tax Act as meaning, a person who is licensed under the Motor Fuel Tax Act to use liquefied petroleum gas. If a person meets the definition of "use," as set forth in this RAB, pertaining to liquefied petroleum gas, then the person is a "LPG dealer" and must be licensed under the Motor Fuel Tax Act. [MCL 207.1151]

Persons Entitled to a Tax Refund

In accordance with Motor Fuel Tax Act, MCL 207. 1155, each of the following persons is entitled to a refund of the tax on liquefied petroleum gas imposed by the Motor Fuel Tax Act:

1. A person consuming liquefied petroleum gas for any purpose other than the operation of a motor vehicle on the public roads or highways of this state.

2. The federal government, state government, or a political subdivision of this state consuming liquefied petroleum gas in a motor vehicle owned and operated or leased and operated by the federal government, state government or political subdivision of this state.
3. A person consuming liquefied petroleum gas in the operation of a passenger vehicle of a capacity of five or more under a municipal franchise, license, permit, agreement, or grant, upon which gas the tax imposed by this section has been paid.