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**REVENUE ADMINISTRATIVE BULLETIN 2002-9**

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**MOTOR FUEL TAX WHOLESALER REMITTANCE FEE ALLOWANCE  
CONSIGNMENT SALES ABSENCE OF ONE-THIRD REMITTANCE FEE  
ALLOWANCE**

(Replaces Revenue Administrative Bulletin 1990-21)

**RAB 2002-9.** This Revenue Administrative Bulletin (RAB) defines the term "consignment sales" used by the Motor Fuel Division for purposes of reviewing the 1.5% remittance fee allowance and the required pass-through of one-third of the remittance fee allowance to retailers by wholesalers.

Background

MCL 207.1014(2) requires a supplier or wholesaler to pass on one third of the remittance fee allowance to the retailer. A supplier's or wholesaler's failure to pass on one third of the remittance fee allowance to a retailer may be justified if the quantity of gasoline transferred to the retailer is deemed a consignment sale, as defined below.

Consignment Sale Definition

In order to be considered a consignment sale, all of the following requirements must be met:

1. The gasoline remains the property of the supplier or wholesaler even after it is delivered into the retailer's supply tank and even at the time of sale from this supply tank.
2. Any gasoline losses, even on the property of the retailer, constitute a loss of the supplier or wholesaler and not the retailer.
3. All taxes on these consignment sale transactions (such as sales taxes) are remitted to the Department of Treasury by the supplier or wholesaler rather than the retailer.
4. The retailer receives a fee from the supplier or wholesaler for executing the sale.

If all of the above apply, then the supplier or wholesaler need not pass on the one-third of the 1.5% remittance fee allowance to the retailer.