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

REVENUE ADMINISTRATIVE BULLETIN 1988-9

Approved: May 18, 1988

BONDING REQUIREMENTS FOR GASOLINE WHOLESALERS

RAB-88-9. This Bulletin establishes the Department's bonding requirements for wholesale gasoline distributor applicants.

Statutory Requirements

The Motor Fuel Tax Act, MCL 207.103, states that an applicant for a gasoline wholesale distributor license must be able to prove its financial responsibility to the Commissioner of Revenue's satisfaction.

An applicant who does not satisfy the Commissioner as to its financial responsibility shall file with the Department of Treasury a surety bond payable to the State in the sum of three times the highest estimated monthly tax or \$25,000, whichever is greater. The Department may find other and further bonding necessary.

Surety Bond Required

On occasion an applicant will request that the Department accept the personal guarantee of a responsible person rather than require the surety bond. The Motor Fuel Tax Act requires the posting of a surety bond not a personal bond or a personal guarantee.

Bonding Determination

The Department will evaluate each applicant for financial responsibility at the time the license application is submitted, including new applicants, renewals, and at interim periods as deemed necessary by the Department.