

SPECIAL TAXES, FEES, AND ASSESSMENTS

WHAT'S NEW

Effective January 1, 2024, as required by 2015 PA 176, the inflation-adjusted tax rate under the Motor Fuel Tax Act (MFTA) and the Motor Carrier Fuel Tax Act (MCFTA) on motor fuel and alternative fuel is 30.0 cents per gallon (or gallon equivalent, as applicable).

Effective March 10, 2022, the Legislature authorized Treasury to enter into limited reciprocal agreements with surrounding states sharing a common border with Michigan to exempt certain motor carriers of raw forest products from International Fuel Tax Agreement (IFTA) credentialing and related tax reporting and payment obligations when their qualified commercial motor vehicles are carrying “raw forest products” to a sawmill or factory within 30 air miles of the Michigan border. See 2022 PAs 24, 25, and 26. **Effective November 1, 2022, Wisconsin and Michigan have such a fuel tax reciprocity agreement in place.**

OVERVIEW

In addition to more commonly known taxes, such as Individual Income Tax and Sales and Use Tax, Treasury also administers various special taxes, fees, and assessments. These include:

- Motor Fuels Tax levied under the MFTA
- Excise Tax levied under the MCFTA
- Terms of the IFTA
- Oil and Gas Severance Tax
- Tobacco Products Tax levied under the TPTA
- Nonferrous Metallic Minerals Extraction Severance Tax
- Airport Parking Tax
- Bottle Deposit
- Convention Facility Tax
- Insurance Provider Assessment
- Excise Tax levied under Michigan Regulation and Taxation of Marihuana Act (MRTMA)
- State 911 County Payments
- State Real Estate Transfer Tax (SRETT).

Treasury also administers the equity assessment established by Michigan law and certain aspects of the escrow under the tobacco Master Settlement Agreement (MSA) and related Michigan laws.

The purpose of this section is to provide taxpayers and tax preparers with a general overview of these taxes, fees, and assessments including, but not limited to, licensing, taxable and non-taxable transactions, reporting requirements, and tax filing procedures as well as the requirements under the MSA or related Michigan laws for certain tobacco product manufacturers concerning escrow accounts and equity assessments. This section is **not** intended to provide all-inclusive guidance concerning these taxes, fees, and assessments.

See the “Contacts” section of this chapter for additional contact information.