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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4073

03/09/2026 Authored by Smith; Kozlowski; Lee, K.; Frederick and Xiong  
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to taxation; sustainable aviation fuel credit; excluding certain taxpayers  
1.3 from qualifying for the credit; amending Minnesota Statutes 2024, section 41A.30,  
1.4 subdivision 1.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2024, section 41A.30, subdivision 1, is amended to read:

1.7 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
1.8 the meanings given.

1.9 (b) "Aircraft" has the meaning given in section 296A.01, subdivision 3.

1.10 (c) "Aviation gasoline" has the meaning given in section 296A.01, subdivision 7.

1.11 (d) "Commissioner" means the commissioner of agriculture.

1.12 (e) "Jet fuel" has the meaning given in section 296A.01, subdivision 8.

1.13 (f) Except as provided in paragraph (h), "qualifying taxpayer" means a taxpayer, as  
1.14 defined in section 290.01, subdivision 6, that is engaged in the business of:

1.15 (1) producing sustainable aviation fuel; or

1.16 (2) blending sustainable aviation fuel with aviation gasoline or jet fuel.

1.17 (g) "Sustainable aviation fuel" means liquid fuel that:

1.18 (1) is derived from biomass, as defined in section 41A.15, subdivision 2e;

1.19 (2) is not derived from palm fatty acid distillates; and

2.1 (3) achieves at least a 50 percent life cycle greenhouse gas emissions reduction in  
2.2 comparison with petroleum-based aviation gasoline, aviation turbine fuel, and jet fuel as  
2.3 determined by a test that shows:

2.4 (i) that the fuel production pathway achieves at least a 50 percent life cycle greenhouse  
2.5 gas emissions reduction in comparison with petroleum-based aviation gasoline, aviation  
2.6 turbine fuel, and jet fuel utilizing the most recent version of Argonne National Laboratory's  
2.7 Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies (GREET) model  
2.8 that accounts for reduced emissions throughout the fuel production process; or

2.9 (ii) that the fuel production pathway achieves at least a 50 percent reduction of the  
2.10 aggregate attributional core life cycle emissions and the positive induced land use change  
2.11 values under the life cycle methodology for sustainable aviation fuels adopted by the  
2.12 International Civil Aviation Organization with the agreement of the United States.

2.13 (h) For purposes of paragraph (f), qualifying taxpayer does not include a taxpayer that:

2.14 (1) agrees by contract to provide air transportation services for a federal agency  
2.15 conducting activities related to immigration enforcement at any time during the taxable  
2.16 year; or

2.17 (2) sells sustainable aviation fuel to an air transportation services business described in  
2.18 clause (1).

2.19 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
2.20 31, 2025.