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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **594**

02/05/2015 Authored by Anderson, M.; Davids; Petersburg; Dill and Persell

The bill was read for the first time and referred to the Committee on Transportation Policy and Finance

1.1 A bill for an act
1.2 relating to taxation; petroleum; codifying current agency practice; dedicating
1.3 revenues from the excise taxes on gasoline used as substitute for aviation gasoline
1.4 to the state airports fund; amending Minnesota Statutes 2014, sections 296A.01,
1.5 by adding a subdivision; 296A.16, by adding a subdivision; 296A.18, subdivision
1.6 8; 296A.19, subdivision 1; repealing Minnesota Rules, part 8125.1300, subpart 3.

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

1.8 Sec. 1. Minnesota Statutes 2014, section 296A.01, is amended by adding a subdivision
1.9 to read:

1.10 Subd. 13a. **Dealer of gasoline used as a substitute for aviation gasoline.** "Dealer
1.11 of gasoline used as a substitute for aviation gasoline" means any person who sells gasoline
1.12 on the premises of an airport as defined under section 360.013, subdivision 39, to be
1.13 dispensed directly into the fuel tank of an aircraft.

1.14 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
1.15 June 30, 2015.

1.16 Sec. 2. Minnesota Statutes 2014, section 296A.16, is amended by adding a subdivision
1.17 to read:

1.18 Subd. 2a. **Fuel used in aircraft; claim for refund.** (a) Any person who buys and
1.19 uses gasoline for use as a substitute for aviation gasoline, and who paid the tax directly,
1.20 indirectly through the amount of the tax being included in the price of the gasoline, or
1.21 otherwise, may file a claim for refund with the commissioner for all but five cents per
1.22 gallon of the tax paid. The commissioner shall prescribe the form and manner of the
1.23 application for refund. An applicant who files a claim that is false or fraudulent is subject
1.24 to the penalties provided in section 296A.23 for knowingly and willfully making a false

claim. The claim must set forth the total amount of the gasoline purchased and used by the applicant as a substitute for aviation gasoline, and must state when and for what purpose the gasoline was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to the commissioner. The commissioner, on being satisfied that the claimant is entitled to the payments, shall approve the claim and transmit it to the commissioner of management and budget.

(b) Refunds for gasoline used as a substitute for aviation gasoline shall be issued only to those claimants who have received approval to use such gasoline from the Federal Aviation Administration as evidenced by a supplemental type certificate.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2014, section 296A.18, subdivision 8, is amended to read:

Subd. 8. **Airports.** (a) The revenues derived from the excise taxes on aviation gasoline and on special fuel received, sold, stored, or withdrawn from storage as substitutes for aviation gasoline, shall be paid into the state treasury and credited to the state airports fund.

(b) The revenues derived from the excise taxes on gasoline received, sold, stored, or withdrawn from storage on the premises of an airport as defined under section 360.013, subdivision 39, and used as a substitute for aviation gasoline, less any refunds under section 296A.16, subdivision 2a, shall be transferred from the highway user tax distribution fund to the state airports fund.

(c) There is hereby appropriated such sums as are needed to carry out the provisions of this subdivision.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2015.

Sec. 4. Minnesota Statutes 2014, section 296A.19, subdivision 1, is amended to read:

Subdivision 1. **Retention.** (a) All distributors, dealers, special fuel dealers, bulk purchasers, and all users of special fuel shall keep a true and accurate record of all purchases, transfers, sales, and use of petroleum products and special fuel, including copies of all sales tickets issued, in a form and manner approved by the commissioner, and shall retain all such records for 3-1/2 years.

(b) A dealer of gasoline used as a substitute for aviation gasoline must:

3.1 (1) keep a true and accurate record of all purchases, transfers, sales, and use of
3.2 gasoline used as a substitute for aviation gasoline, including copies of all sales tickets
3.3 issued, in a form and manner approved by the commissioner, and shall retain all such
3.4 records for 3-1/2 years; and

3.5 (2) annually certify to the commissioner how many gallons of gasoline are going
3.6 to fuel airplanes; the dates and times of fueling; plane identification criteria; and any
3.7 other information requested by the commissioner required to administer the refund under
3.8 section 296A.16, subdivision 2a.

3.9 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
3.10 June 30, 2015.

3.11 Sec. 5. **REPEALER.**

3.12 Minnesota Rules, part 8125.1300, subpart 3, is repealed.

3.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

APPENDIX
Repealed Minnesota Rule: 15-0221

8125.1300 REFUNDS AND CREDITS.

Subp. 3. **Gasoline used in aircraft.** Refunds for gasoline, other than aviation gasoline, purchased and used to produce or generate power for propelling aircraft shall be issued only to those claimants who have received approval to use such gasoline from the Federal Aviation Administration as evidenced by a supplemental type certificate.