

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 3322**

(SENATE AUTHORS: HOUSLEY, Coleman, Rarick, Drazkowski and Utke)  
DATE 05/04/2023 D-PG 7017 OFFICIAL STATUS Introduction and first reading Referred to Transportation

1.1 A bill for an act  
1.2 relating to transportation; taxes; establishing a temporary reduction in the rates of  
1.3 the motor fuels tax; making transfers; appropriating money.

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

1.5 Section 1. MOTOR FUELS TAX TEMPORARY REDUCTION.

1.6 (a) For a transaction or activity giving rise to a tax under Minnesota Statutes, section  
1.7 296A.07 or 296A.08, that occurs during the period beginning July 1, 2023, and ending  
1.8 December 31, 2024:

1.9 (1) the tax rate imposed under Minnesota Statutes, section 296A.07, subdivision 3, is  
1.10 as follows:

1.11 (i) under clause (1), 10.65 cents per gallon;

1.12 (ii) under clause (2), 8.55 cents per gallon; and

1.13 (iii) under clause (3), 15 cents per gallon; and

1.14 (2) the tax rate imposed under Minnesota Statutes, section 296A.08, subdivision 2, is  
1.15 as follows:

1.16 (i) under paragraph (a), 11.25 cents per gallon;

1.17 (ii) under paragraph (b), nine cents per gallon;

1.18 (iii) under paragraph (c), \$0.1184 per thousand cubic feet or 15 cents per gasoline  
1.19 equivalent, as defined in that section; and

1.20 (iv) under paragraph (d), 15 cents per gallon.

2.1 (b) For a transaction or activity giving rise to a tax under Minnesota Statutes, section  
 2.2 296A.08, subdivision 4, that occurs during the period specified in paragraph (a), the rate of  
 2.3 the tax is 15 cents per gallon.

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

2.5 **Sec. 2. APPROPRIATION; MOTOR FUELS TAX TEMPORARY REDUCTION.**

2.6 The amount necessary to implement the requirements under section 1 is appropriated  
 2.7 in fiscal year 2023 from the general fund to the commissioner of revenue for the  
 2.8 administrative costs of implementation. This is a onetime appropriation and is available  
 2.9 until June 30, 2025.

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

2.11 **Sec. 3. TRANSFERS; MOTOR FUELS TAX TEMPORARY REDUCTION.**

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

2.14 (b) "Fiscal year 2024 period forecast" means the most recent forecast of total state  
 2.15 revenue from the motor fuels tax that is attributed to occurring in the period beginning July  
 2.16 1, 2023, and ending June 30, 2024, as estimated absent the requirements under section 1.

2.17 (c) "Fiscal year 2025 period forecast" means the most recent forecast of total state revenue  
 2.18 from the motor fuels tax that is attributed to occurring in the period beginning July 1, 2024,  
 2.19 and ending December 31, 2024, as estimated absent the requirements under section 1.

2.20 Subd. 2. **Transfers of nonhighway use amounts; fiscal year 2024.** (a) In fiscal year  
 2.21 2024, each of the amounts as provided in paragraph (b) is transferred from the general fund  
 2.22 to the commissioner of transportation for deposit in the respective accounts specified in  
 2.23 Minnesota Statutes, section 296A.18, subdivisions 2 to 6 and 7, to provide for foregone  
 2.24 revenue due to the motor fuels tax rate reduction under section 1.

2.25 (b) The commissioner must determine each of the amounts to transfer under paragraph  
 2.26 (a) based on:

2.27 (1) the fiscal year 2024 period forecast; and

2.28 (2) a calculation of amounts that are subject to transfer under Minnesota Statutes, section  
 2.29 296A.18, subdivisions 6a and 7, from the revenue estimated under clause (1).

2.30 Subd. 3. **Transfer to highway user tax distribution fund; fiscal year 2024.** (a) In  
 2.31 fiscal year 2024, an amount as provided in paragraph (b) is transferred from the general

3.1 fund to the commissioner of transportation for deposit in the highway user tax distribution  
3.2 fund to provide for foregone revenue due to the motor fuels tax rate reduction under section  
3.3 1.

3.4 (b) The commissioner must determine the amount to transfer under paragraph (a) based  
3.5 on:

3.6 (1) the fiscal year 2024 period forecast; less

3.7 (2) the total from the amount determined for transfer under subdivision 2.

3.8 Subd. 4. **Transfers of nonhighway use amounts; fiscal year 2025.** (a) In fiscal year  
3.9 2025, each of the amounts as provided in paragraph (b) is transferred from the general fund  
3.10 to the commissioner of transportation for deposit in the respective accounts specified in  
3.11 Minnesota Statutes, section 296A.18, subdivisions 2 to 6 and 7, to provide for foregone  
3.12 revenue due to the motor fuels tax rate reduction under section 1.

3.13 (b) The commissioner must determine each of the amounts to transfer under paragraph  
3.14 (a) based on:

3.15 (1) the fiscal year 2025 period forecast; and

3.16 (2) a calculation of amounts that are subject to transfer under Minnesota Statutes, section  
3.17 296A.18, subdivisions 6a and 7, from the revenue estimated under clause (1).

3.18 Subd. 5. **Transfer to highway user tax distribution fund; fiscal year 2025.** (a) In  
3.19 fiscal year 2025, an amount as provided in paragraph (b) is transferred from the general  
3.20 fund to the commissioner of transportation for deposit in the highway user tax distribution  
3.21 fund to provide for foregone revenue due to the motor fuels tax rate reduction under section  
3.22 1.

3.23 (b) The commissioner must determine the amount to transfer under paragraph (a) based  
3.24 on:

3.25 (1) the fiscal year 2025 period forecast; less

3.26 (2) the total from the amount determined for transfer under subdivision 4.

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