

**SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION**

**S.F. No. 1799**

(SENATE AUTHORS: FRENTZ)

DATE  
03/06/2017

D-PG  
1069

Introduction and first reading  
Referred to Transportation Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to motor vehicles; increasing the motor fuels tax; amending Minnesota  
1.3 Statutes 2016, sections 296A.07, subdivision 3; 296A.08, subdivision 2.

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

1.5 Section 1. Minnesota Statutes 2016, section 296A.07, subdivision 3, is amended to read:

1.6 Subd. 3. **Rate of tax.** The gasoline excise tax is imposed at the following rates:

1.7 (1) E85 is taxed at the rate of ~~17.75~~ 24.85 cents per gallon;

1.8 (2) M85 is taxed at the rate of ~~14.25~~ 19.95 cents per gallon; and

1.9 (3) all other gasoline is taxed at the rate of ~~25~~ 35 cents per gallon.

1.10 **EFFECTIVE DATE.** This section is effective October 1, 2017, and applies to all  
1.11 gasoline, undyed diesel fuel, and special fuel in distributor storage on or after that date.

1.12 Sec. 2. Minnesota Statutes 2016, section 296A.08, subdivision 2, is amended to read:

1.13 Subd. 2. **Rate of tax.** The special fuel excise tax is imposed at the following rates:

1.14 (a) Liquefied petroleum gas or propane is taxed at the rate of ~~18.75~~ 26.25 cents per  
1.15 gallon.

1.16 (b) Liquefied natural gas is taxed at the rate of ~~15~~ 21 cents per gallon.

1.17 (c) Compressed natural gas is taxed at the rate of ~~\$2.174~~ \$3.0436 per thousand cubic  
1.18 feet; or ~~25~~ 35 cents per gasoline equivalent. For purposes of this paragraph, "gasoline  
1.19 equivalent," as defined by the National Conference on Weights and Measures, is 5.66 pounds  
1.20 of natural gas.

2.1 (d) All other special fuel is taxed at the same rate as the gasoline excise tax as specified  
2.2 in section 296A.07, subdivision 2. The tax is payable in the form and manner prescribed  
2.3 by the commissioner.

2.4 **EFFECTIVE DATE.** This section is effective October 1, 2017, and applies to all  
2.5 gasoline, undyed diesel fuel, and special fuel in distributor storage on or after that date.