

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

**S.F. No. 314**

(SENATE AUTHORS: SENJEM)

DATE  
01/25/2021

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158 Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to motor vehicles; imposing an alternative fuel vehicle tax; proposing  
1.3 coding for new law in Minnesota Statutes, chapter 296A.

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

1.5 Section 1. **[296A.075] ALTERNATIVE FUEL VEHICLE TAX.**

1.6 Subdivision 1. **Definition.** For the purposes of this section, "alternative fuel vehicle"  
1.7 means a passenger automobile, one-ton pickup truck, motorcycle, or recreational vehicle,  
1.8 as those terms are defined under section 168.002, that meets the criteria under section  
1.9 216C.01, subdivision 1b.

1.10 Subd. 2. **Tax imposed.** There is an excise tax imposed on alternative fuel vehicles that  
1.11 are (1) registered in this state under chapter 168; and (2) not subject to the gasoline tax  
1.12 under section 296A.07. The tax is payable at the rate specified in subdivision 3, and in the  
1.13 form and manner prescribed under subdivision 4.

1.14 Subd. 3. **Rate of tax; calculation.** (a) Annually by March 1, the commissioner must  
1.15 calculate the alternative fuel vehicle tax to be imposed for the period beginning July 1 of  
1.16 the current year and ending June 30 the following year. The tax must equal the total revenues  
1.17 received from the gasoline tax imposed under section 296A.07 for the prior calendar year,  
1.18 divided by the total number of passenger automobiles, one-ton pickup trucks, motorcycles,  
1.19 and recreational vehicles registered under chapter 168 during the prior calendar year.

1.20 (b) For the purposes of calculating the rate of tax under paragraph (a), the commissioner  
1.21 of public safety must provide the commissioner with total number of passenger automobiles,

2.1 one-ton pickup trucks, motorcycles, and recreational vehicles registered under chapter 168  
2.2 during the prior calendar year.

2.3 Subd. 4. **Tax payment; deposit.** Beginning July 1 of each year and through June 30 the  
2.4 following year, the commissioner of public safety must collect the alternative fuel vehicle  
2.5 tax at the rate calculated under subdivision 3. The tax imposed must be included as an  
2.6 individual charge assessed at the same time as the annual vehicle registration tax under  
2.7 section 168.013. The commissioner of public safety must deposit the proceeds of the tax  
2.8 imposed under this section in the highway user tax distribution fund.

2.9 **EFFECTIVE DATE.** This section is effective the day following final enactment. The  
2.10 commissioners of revenue and public safety must begin imposing the tax under this section  
2.11 for registrations and renewals of alternative fuel vehicles beginning on July 1, 2022.