

2.1 Subd. 3. **Refund on graduated basis.** (a) Except as otherwise provided in
2.2 paragraph (b), any person who has directly or indirectly paid the excise tax on aviation
2.3 gasoline or special fuel for aircraft use provided for by this chapter, shall, as to all ~~such~~
2.4 aviation gasoline and special fuel received, stored, or withdrawn from storage by the
2.5 person in this state in any calendar year and not sold or otherwise disposed of to others,
2.6 or intended for sale or other disposition to others, on which such tax has been so paid,
2.7 be entitled to the following graduated reductions in such tax for that calendar year, to be
2.8 obtained by means of the following refunds:

2.9 (1) on each gallon of such aviation gasoline or special fuel up to 50,000 gallons, all
2.10 but five cents per gallon;

2.11 (2) on each gallon of such aviation gasoline or special fuel above 50,000 gallons and
2.12 not more than 150,000 gallons, all but two cents per gallon;

2.13 (3) on each gallon of such aviation gasoline or special fuel above 150,000 gallons
2.14 and not more than 200,000 gallons, all but one cent per gallon;

2.15 (4) on each gallon of such aviation gasoline or special fuel above 200,000, all but
2.16 one-half cent per gallon.

2.17 (b) The refund in paragraph (a) does not apply to aviation gasoline or special fuels
2.18 received, stored, or withdrawn from storage by the person in this state in any calendar year
2.19 and not sold or otherwise disposed of to others, or intended for sale or other disposition to
2.20 others for use in aircraft specified in section 360.55, subdivisions 1 and 2.

2.21 Sec. 4. Minnesota Statutes 2010, section 297A.94, is amended to read:

2.22 **297A.94 DEPOSIT OF REVENUES.**

2.23 (a) Except as provided in this section, the commissioner shall deposit the revenues,
2.24 including interest and penalties, derived from the taxes imposed by this chapter in the state
2.25 treasury and credit them to the general fund.

2.26 (b) The commissioner shall deposit taxes in the Minnesota agricultural and economic
2.27 account in the special revenue fund if:

2.28 (1) the taxes are derived from sales and use of property and services purchased for
2.29 the construction and operation of an agricultural resource project; and

2.30 (2) the purchase was made on or after the date on which a conditional commitment
2.31 was made for a loan guaranty for the project under section 41A.04, subdivision 3.

2.32 The commissioner of management and budget shall certify to the commissioner the date
2.33 on which the project received the conditional commitment. The amount deposited in
2.34 the loan guaranty account must be reduced by any refunds and by the costs incurred by

S.F. No. 1913, as introduced - 87th Legislative Session (2011-2012) [12-4131]

3.1 the Department of Revenue to administer and enforce the assessment and collection of
3.2 the taxes.

3.3 (c) The commissioner shall deposit the revenues, including interest and penalties,
3.4 derived from the taxes imposed on sales and purchases included in section 297A.61,
3.5 subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them
3.6 as follows:

3.7 (1) first to the general obligation special tax bond debt service account in each fiscal
3.8 year the amount required by section 16A.661, subdivision 3, paragraph (b); and

3.9 (2) after the requirements of clause (1) have been met, the balance to the general
3.10 fund.

3.11 (d) The commissioner shall deposit the revenues, including interest and penalties,
3.12 collected under section 297A.64, subdivision 5, in the state treasury and credit them to the
3.13 general fund. By July 15 of each year the commissioner shall transfer to the highway user
3.14 tax distribution fund an amount equal to the excess fees collected under section 297A.64,
3.15 subdivision 5, for the previous calendar year.

3.16 (e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and
3.17 for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and
3.18 penalties, transmitted to the commissioner under section 297A.65, must be deposited by
3.19 the commissioner in the state treasury as follows:

3.20 (1) 50 percent of the receipts must be deposited in the heritage enhancement account
3.21 in the game and fish fund, and may be spent only on activities that improve, enhance, or
3.22 protect fish and wildlife resources, including conservation, restoration, and enhancement
3.23 of land, water, and other natural resources of the state;

3.24 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and
3.25 may be spent only for state parks and trails;

3.26 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and
3.27 may be spent only on metropolitan park and trail grants;

3.28 (4) three percent of the receipts must be deposited in the natural resources fund, and
3.29 may be spent only on local trail grants; and

3.30 (5) two percent of the receipts must be deposited in the natural resources fund,
3.31 and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and
3.32 Conservatory, and the Duluth Zoo.

3.33 (f) The revenue dedicated under paragraph (e) may not be used as a substitute
3.34 for traditional sources of funding for the purposes specified, but the dedicated revenue
3.35 shall supplement traditional sources of funding for those purposes. Land acquired with
3.36 money deposited in the game and fish fund under paragraph (e) must be open to public

S.F. No. 1913, as introduced - 87th Legislative Session (2011-2012) [12-4131]

4.1 hunting and fishing during the open season, except that in aquatic management areas or
4.2 on lands where angling easements have been acquired, fishing may be prohibited during
4.3 certain times of the year and hunting may be prohibited. At least 87 percent of the money
4.4 deposited in the game and fish fund for improvement, enhancement, or protection of fish
4.5 and wildlife resources under paragraph (e) must be allocated for field operations.

4.6 (g) The revenues deposited under paragraphs (a) to (f) do not include the revenues,
4.7 including interest and penalties, generated by the sales tax imposed under section
4.8 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota
4.9 Constitution, article XI, section 15.

4.10 (h) The commissioner shall deposit the revenues specified in this paragraph,
4.11 including interest and penalties, collected from aircraft sales and aircraft parts sales in
4.12 the state treasury and credit them to the state airports fund, as defined in section 360.017.
4.13 The revenues to be deposited under this paragraph are \$3,000,000 or an amount equaling
4.14 30 percent of the total revenue collected from aircraft sales and aircraft parts sales,
4.15 whichever is greater.

4.16 Sec. 5. Minnesota Statutes 2010, section 360.511, is amended by adding a subdivision
4.17 to read:

4.18 Subd. 24a. **Maximum takeoff weight.** "Maximum takeoff weight" means the
4.19 maximum weight authorized for takeoff of a particular aircraft.

4.20 Sec. 6. Minnesota Statutes 2010, section 360.531, subdivision 1, is amended to read:

4.21 Subdivision 1. **In lieu tax; applicability.** (a) All aircraft using the air space
4.22 overlying the state of Minnesota or the airports thereof, except as set forth in section
4.23 360.55, shall be taxed in lieu of all other taxes thereon, on the basis ~~and at the rate for the~~
4.24 ~~period January 1, 1966, to June 30, 1967, and for each fiscal year as follows~~ of maximum
4.25 takeoff weight for registration periods beginning after June 30, 2012, except as otherwise
4.26 provided in this section.

4.27 (b) Subdivisions 3, 4, and 6 do not apply to turbine-powered aircraft used for
4.28 commercial purposes and taxed pursuant to subdivision 2 after June 30, 2012.

4.29 (c) The fractional aircraft owner of an aircraft subject to the tax imposed under
4.30 this section by section 360.532 shall pay the fraction of the applicable amount under
4.31 subdivision 2 that equals the fractional ownership interest. From the amount, the fractional
4.32 aircraft owner may deduct the cost of registering the aircraft in another state that is
4.33 included in its fractional ownership interest. When submitting this tax, the fractional
4.34 aircraft must include evidence of registration in the other state and the cost of this

S.F. No. 1913, as introduced - 87th Legislative Session (2011-2012) [12-4131]

5.1 registration. For purposes of this paragraph, "fractional aircraft owner" means the owner
5.2 of an undivided interest in a specific serial-numbered aircraft.

5.3 Sec. 7. Minnesota Statutes 2010, section 360.531, subdivision 2, is amended to read:

5.4 Subd. 2. **Rate Amount.** (a) Except as otherwise provided in paragraph (b) and
5.5 subject to section 360.55, subdivision 8, the tax shall be at the rate of one percent of value;
5.6 provided that the minimum tax on an aircraft subject to the provisions of sections 360.511
5.7 to 360.67 shall not be less than 25 percent of the tax on said aircraft computed on its base
5.8 price or \$50 whichever is the higher. for registration periods beginning after June 30,
5.9 2012, and in each subsequent fiscal year is:

<u>Maximum takeoff weight:</u>	<u>Amount of tax:</u>
<u>Over 40,001 pounds</u>	<u>\$25,000</u>
<u>30,001 - 40,000 pounds</u>	<u>\$20,000</u>
<u>20,001 - 30,000 pounds</u>	<u>\$15,000</u>
<u>15,501 - 20,000 pounds</u>	<u>\$10,000</u>
<u>12,501 - 15,000 pounds</u>	<u>\$5,000</u>
<u>6,001 - 12,500 pounds</u>	<u>\$2,500</u>
<u>Under 6,001 pounds</u>	<u>\$1,000</u>

5.18 For an aircraft for which aircraft registration tax was due and paid from July 1, 2011,
5.19 through June 30, 2012, the amount of the tax each year is the lesser of the amount paid
5.20 from July 1, 2011, through June 30, 2012, or the tax computed under this subdivision.

5.21 (b) For aircraft that consume aviation gasoline, the tax shall be at the rate of one
5.22 percent of value; provided that the minimum tax on an aircraft subject to the provisions
5.23 of sections 360.511 to 360.67 shall not be less than 25 percent of the tax on the aircraft
5.24 computed on its base price or \$50, whichever is the higher.

5.25 Sec. 8. Minnesota Statutes 2010, section 360.531, is amended by adding a subdivision
5.26 to read:

5.27 Subd. 8a. **Turbine-powered aircraft.** A resident of this state or an entity based
5.28 in this state who owns turbine-powered aircraft shall pay a filing fee of \$25 to the
5.29 commissioner and file an affidavit with the commissioner that states:

5.30 (1) the name and address of the owner;

5.31 (2) the name and address of the person or entity from whom the aircraft was
5.32 purchased; and

5.33 (3) the aircraft's make, year, model number, federal aircraft registration number,
5.34 manufacturer's identification number, and maximum takeoff weight.

6.1 Sec. 9. Minnesota Statutes 2010, section 360.532, is amended to read:

6.2 **360.532 NONRESIDENT ~~COMMERCIAL OPERATION~~ AIRCRAFT**
6.3 **SUBJECT TO TAX.**

6.4 Any aircraft of which a nonresident has the right to possession and which is used for
6.5 commercial operations in this state, or in which a resident of this state or an entity doing
6.6 business in this state has a fractional ownership interest, shall be registered in this state
6.7 before said aircraft is used for such commercial operations, except that aircraft used for
6.8 charter which a nonresident has the right to possession need not be so registered if while in
6.9 the state the nonresident does not advertise, represent, or hold out as giving or offering to
6.10 provide such service with such aircraft. Aircraft registered under this section shall not be
6.11 entitled to a refund under 360.62 except if destroyed or for errors in computing the tax or
6.12 fees and for the error on the part of an owner who may have registered an aircraft that was
6.13 not before or at the time of such registration, or at any time thereafter during the current
6.14 past year, subject to such tax in this state, or the aircraft is sold to a nonresident who is not
6.15 engaged in a commercial operation in this state. For purposes of this section, "fractional
6.16 ownership interest" means an undivided interest in a specific serial-numbered aircraft.

6.17 Sec. 10. Minnesota Statutes 2010, section 360.57, is amended to read:

6.18 **360.57 FILING SWORN STATEMENT BY MANUFACTURER.**

6.19 Every manufacturer of an aircraft sold or offered for sale within this state, either by
6.20 the manufacturer, distributor, dealer, or any other person, shall, on or before the first day in
6.21 August of each year, file in the office of the commissioner a sworn statement showing
6.22 the various models manufactured by the manufacturer and the ~~retail list price~~ maximum
6.23 takeoff weight of each model being manufactured August 1 of that year, and shall also
6.24 file with the commissioner, in such form as manufacturers usually use for advertising,
6.25 complete specifications of the construction of each model that has been manufactured by
6.26 the manufacturer. Upon each change in ~~such price~~ the maximum takeoff weight and upon
6.27 the manufacture of each new model thereafter such manufacturer shall in like manner file
6.28 a new statement setting forth ~~such~~ the change.

6.29 Sec. 11. **EFFECTIVE DATE.**

6.30 Sections 1 to 10 are effective July 1, 2012.