

8130.5300 PETROLEUM PRODUCTS.

Subpart 1. **Fuels subject to Minnesota Statutes, chapter 296A.** An exemption from sales and use tax is provided for petroleum products upon which a tax has been imposed under Minnesota Statutes, chapter 296A. The tax imposed by Minnesota Statutes, chapter 296A, applies to all gasoline (including aviation and marine gasoline), and special fuels for highway or aircraft use.

Subp. 2. **Fuels not subject to Minnesota Statutes, chapter 296A.** All fuels not subject to the tax imposed by Minnesota Statutes, chapter 296A, or for which a refund of the petroleum tax has been allowed because the buyer used the fuel for nonhighway use, are subject to sales and use tax unless exempted under other provisions of the Sales and Use Tax Law. Unless another exemption applies, use tax must be reported on a sales or use tax return in relation to the month in which a petroleum tax refund is issued.

Example. Trucking company is a bulk purchaser (as defined in Minnesota Statutes, section 296A.01, subdivision 9) and orders 100,000 gallons of petroleum products in October. It instructs the distributor to deliver 70,000 gallons to a storage tank used to supply such petroleum products to licensed motor vehicles owned and operated by it. The remaining 30,000 gallons are delivered to a storage tank used to supply fuel oil for heating trucking company's premises. For the month of October, trucking company reports and pays the special fuel (as defined in Minnesota Statutes, section 296A.01, subdivision 46) excise tax on 70,000 gallons. Trucking company files a sales and use tax return and reports and pays a tax on the purchase price of the 30,000 gallons of petroleum products used for space heating. See Minnesota Statutes, section 297A.63 for application of use tax.

Statutory Authority: *MS s 270.06; 270C.06; 297A.29*

History: *L 1992 c 575 s 53; 29 SR 1450; L 2005 c 151 art 1 s 114*

Published Electronically: *February 18, 2008*