

Revised

Fiscal Note

2025-2026 Legislative Session

HF2606 - 0 - Retail Delivery Fee Modified

Chief Author: **Bjorn Olson**
Committee: **Transportation Finance and Policy**
Date Completed: **4/2/2025 8:33:21 AM**
Agency: **Revenue Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Dollars in Thousands					
Restrict Misc Special Revenue	-	10	20	20	20
Total	-	10	20	20	20
Biennial Total			30		40

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Restrict Misc Special Revenue	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

This fiscal note was revised to incorporate a revenue analysis produced by the Department of Revenue Tax Research Division. Published revenue analyses can be found at <https://www.revenue.state.mn.us/revenue-analyses>.

LBO Signature: Joel Enders **Date:** 4/2/2025 8:33:21 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Restrict Misc Special Revenue	-	10	20	20	20	20
Total	-	10	20	20	20	20
Biennial Total			30			40
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc Special Revenue	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Restrict Misc Special Revenue	-	(10)	(20)	(20)	(20)	(20)
Total	-	(10)	(20)	(20)	(20)	(20)
Biennial Total			(30)			(40)

Bill Description

This bill exempts the delivery of liquid fuels from the Retail Delivery Fee.

Section 1 amends Minnesota Statutes 168E.01 by adding a definition for fuel products.

Section 2 amends Minnesota Statutes 168E.05 by adding retail delivery of fuel products to exempt transactions.

There is no effective date specified in the bill.

Assumptions

The Department of Revenue (Revenue) assumes a decrease in state fee revenue from the exemption of liquid fuels from the Retail Delivery Fee. Revenue assumes an effective date of August 1, 2025, as the bill does not provide one.

The Sales and Use Tax Division (SUT) assumes it will update the published guidance on our website and update our procedures to reflect the changes to the Retail Delivery Fee. This work will be completed by existing SUT staff in FY26.

Expenditure and/or Revenue Formula

The estimated fee impact is produced by the Department of Revenue's Tax Research Division. Published revenue analyses can be found at <https://www.revenue.state.mn.us/revenue-analyses>.

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

N/A

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References/Sources

Agency staff provided information for this fiscal note.

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