

April 6, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 3531 (Joy) 1st Engrossment

	Fund Impact			
	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>	<u>F.Y. 2028</u>	<u>F.Y. 2029</u>
		(000's)		
Special Revenue Fund	\$0	(\$60)	(\$70)	(\$70)

Effective the day following final enactment for retail deliveries made after July 31, 2026.

EXPLANATION OF THE BILL

Current Law: A fee is imposed on retailers equal to 50 cents on each transaction that equals or exceeds a threshold amount of \$100 for retail deliveries in Minnesota. Retail deliveries of fuel products are exempt from the retail delivery fee. Fuel products are defined as liquefied natural gas or liquefied petroleum gas.

Proposed Law: The bill would expand the definition of exempt fuel products to include diesel exhaust fluid, fuel lubricants, and petroleum products.

REVENUE ANALYSIS DETAIL

- The estimates assume that most petroleum products are subject to motor fuels excise taxes and therefore not subject to the retail delivery fee.
- The estimates were based on industry reports and information from the Energy Information Administration
- It is estimated that commercial consumption in Minnesota of products exempted by the bill totaled \$400 million in 2024.
- It is assumed that the share of transactions subject to the retail delivery fee for products exempted by the bill is equivalent to its share of the sales tax base.
- The estimates are reduced to account for fewer transactions on products exempted by the bill than the average sales taxable product.
- It is estimated that commercial consumption of products exempted by the bill accounts for 0.29% of the sales tax base.
- The fiscal year 2027 estimate is adjusted for ten months of collections.

Minnesota Department of Revenue
Tax Research Division
<https://www.revenue.state.mn.us/revenue-analyses>