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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3430

02/17/2026 Authored by Kraft, Jones, Rehrauer and Kotyza-Witthuhn The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

1.1 A bill for an act
1.2 relating to transportation; modifying surcharges for all-electric vehicles and plug-in
1.3 hybrid electric vehicles; establishing vehicle weight surcharge; amending Minnesota
1.4 Statutes 2024, section 168.013, by adding a subdivision; Minnesota Statutes 2025
1.5 Supplement, section 168.013, subdivisions 1m, 1n.

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

1.7 Section 1. Minnesota Statutes 2025 Supplement, section 168.013, subdivision 1m, is
1.8 amended to read:

1.9 Subd. 1m. Electric vehicle. (a) A surcharge as provided in paragraph (b) or (c) of \$100
1.10 is imposed for an all-electric vehicle, as defined in section 169.011, subdivision 1a. The
1.11 surcharge is in addition to the tax under subdivision 1a.

1.12 (b) The surcharge is calculated as the greater of the minimum amount specified in
1.13 paragraph (c) or:

1.14 (1) 0.5 percent of the manufacturer's suggested retail price, as determined under
1.15 subdivision 1a, paragraph (c); multiplied by

1.16 (2) the percentage specified under subdivision 1a, paragraph (c), clauses (1) to (10), for
1.17 the vehicle's year of life, or ten percent for a vehicle in its 11th and each succeeding year
1.18 of life.

1.19 (c) The minimum amount is:

1.20 (1) \$150 for a registration period beginning on or after January 1, 2026, and on or before
1.21 June 30, 2027; or

1.22 (2) \$100 for a registration period beginning on or after July 1, 2027.

2.1 ~~(d)~~ (b) Notwithstanding subdivision 8, revenue collected under this subdivision must be  
 2.2 deposited in the highway user tax distribution fund.

2.3 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 2.4 applies to taxes payable for a registration period starting on or after January 1, 2027.

2.5 Sec. 2. Minnesota Statutes 2025 Supplement, section 168.013, subdivision 1n, is amended  
 2.6 to read:

2.7 Subd. 1n. **Plug-in hybrid electric vehicle.** (a) A surcharge ~~as provided in paragraph (b)~~  
 2.8 ~~or (e)~~ of \$50 is imposed for a plug-in hybrid electric vehicle, as defined in section 169.011,  
 2.9 subdivision 54a. The surcharge is in addition to the tax under subdivision 1a.

2.10 ~~(b) The surcharge is calculated as the greater of the minimum amount specified under~~  
 2.11 ~~paragraph (c) or:~~

2.12 ~~(1) 0.25 percent of the manufacturer's suggested retail price, as determined under~~  
 2.13 ~~subdivision 1a, paragraph (c); multiplied by~~

2.14 ~~(2) the percentage specified under subdivision 1a, paragraph (c), clauses (1) to (10), for~~  
 2.15 ~~the vehicle's year of life, or ten percent for a vehicle in its 11th and each succeeding year~~  
 2.16 ~~of life.~~

2.17 ~~(c) The minimum amount is:~~

2.18 ~~(1) \$75 for a registration period beginning on or after January 1, 2026, and on or before~~  
 2.19 ~~June 30, 2027; or~~

2.20 ~~(2) \$50 for a registration period beginning on or after July 1, 2027.~~

2.21 ~~(d)~~ (b) Notwithstanding subdivision 8, revenue collected under this subdivision must be  
 2.22 deposited in the highway user tax distribution fund.

2.23 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 2.24 applies to taxes payable for a registration period starting on or after January 1, 2027.

2.25 Sec. 3. Minnesota Statutes 2024, section 168.013, is amended by adding a subdivision to  
 2.26 read:

2.27 Subd. 1o. **Vehicle weight surcharge.** (a) A weight surcharge is imposed on a passenger  
 2.28 automobile, as defined in section 168.002, subdivision 24, calculated as follows:

2.29 (1) for a weight rating of less than 5,000 pounds, \$0;

3.1 (2) for a weight rating of 5,000 to 5,999 pounds, seven percent of the tax imposed under  
3.2 subdivision 1a; and

3.3 (3) for a weight rating of 6,000 pounds or more, ten percent of the tax imposed under  
3.4 subdivision 1a.

3.5 (b) The surcharge is in addition to the tax under subdivision 1a. The commissioner must  
3.6 determine the weight rating from the gross vehicle weight rating of the vehicle, as indicated  
3.7 on the manufacturer's certification label.

3.8 (c) Notwithstanding subdivision 8, revenue collected under this subdivision must be  
3.9 deposited in the highway user tax distribution fund.

3.10 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
3.11 applies to taxes payable for a registration period starting on or after January 1, 2027.