

1.1 moves to amend H.F. No. 1669 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2024, section 41A.30, subdivision 1, is amended to read:

1.4 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
1.5 the meanings given.

1.6 (b) "Aircraft" has the meaning given in section 296A.01, subdivision 3.

1.7 (c) "Aviation gasoline" has the meaning given in section 296A.01, subdivision 7.

1.8 (d) "Commissioner" means the commissioner of agriculture.

1.9 (e) "Jet fuel" has the meaning given in section 296A.01, subdivision 8.

1.10 (f) "Qualifying taxpayer" means a taxpayer, as defined in section 290.01, subdivision
1.11 6, that is engaged in the business of:

1.12 (1) producing sustainable aviation fuel; or

1.13 (2) blending sustainable aviation fuel with aviation gasoline or jet fuel.

1.14 (g) "Sustainable aviation fuel" means liquid fuel that:

1.15 (1) is derived from: (i) biomass, as defined in section 41A.15, subdivision 2e, that is
1.16 produced in the United States, provided that any agricultural feedstocks are from planted
1.17 crops and crop residue harvested from agricultural land cleared or cultivated any time prior
1.18 to December 19, 2007, that is either actively managed or fallow; (ii) gaseous carbon oxides;
1.19 or (iii) hydrogen that has a carbon intensity not greater than four kilograms of carbon dioxide
1.20 equivalent per kilogram of hydrogen produced;

1.21 (2) is not derived from palm fatty acid distillates; and

2.1 (3) achieves at least a 50 percent life cycle greenhouse gas emissions reduction in
2.2 comparison with petroleum-based aviation gasoline, aviation turbine fuel, and jet fuel as
2.3 determined by a test that shows:

2.4 (i) that the fuel production pathway achieves at least a 50 percent life cycle greenhouse
2.5 gas emissions reduction in comparison with petroleum-based aviation gasoline, aviation
2.6 turbine fuel, and jet fuel utilizing the most recent version of Argonne National Laboratory's
2.7 Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies (GREET) model
2.8 that accounts for reduced emissions throughout the fuel production process; or

2.9 (ii) that the fuel production pathway achieves at least a 50 percent reduction of the
2.10 aggregate attributional core life cycle emissions and the positive induced land use change
2.11 values under the life cycle methodology for sustainable aviation fuels adopted by the
2.12 International Civil Aviation Organization with the agreement of the United States.

2.13 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
2.14 after December 31, 2024, for sustainable aviation fuel sold after June 30, 2025.

2.15 Sec. 2. Minnesota Statutes 2024, section 41A.30, subdivision 2, is amended to read:

2.16 Subd. 2. **Tax credit establishment.** (a) A qualifying taxpayer may claim a tax credit
2.17 against the tax due under chapter 290 equal to \$1.50 for each gallon of sustainable aviation
2.18 fuel that is:

2.19 (1) produced in Minnesota or blended with aviation or gasoline or jet fuel in Minnesota,
2.20 provided that carbon oxides sequestered as part of the production process are not used as a
2.21 tertiary injectant in a qualified enhanced oil recovery project; and

2.22 (2) sold in Minnesota to a purchaser who certifies that the sustainable aviation fuel is
2.23 for use as fuel in an aircraft departing from an airport in Minnesota.

2.24 (b) The credit may be claimed only after approval and certification by the commissioner
2.25 and is limited to the amount stated on the credit certificate issued under subdivision 3. A
2.26 qualifying taxpayer must apply to the commissioner for certification and allocation of a
2.27 credit in a form and manner prescribed by the commissioner.

2.28 (c) A qualifying taxpayer may claim a credit for blending or producing sustainable
2.29 aviation fuel, but not both. If sustainable aviation fuel is blended with aviation gasoline or
2.30 jet fuel, the credit is allowed only for the portion of sustainable aviation fuel that is included
2.31 in the blended fuel.

3.1 (d) If the amount of credit that the taxpayer is eligible to receive under this section
3.2 exceeds the liability for tax under chapter 290, the commissioner of revenue must refund
3.3 the excess to the taxpayer.

3.4 (e) Subject to the commissioner's certification, a qualifying taxpayer may claim a
3.5 supplemental tax credit against the tax due under chapter 290 equal to the rate of \$0.02 per
3.6 gallon for each additional whole percentage carbon intensity reduction beyond 50 percent,
3.7 but capped at \$2.00 per gallon.

3.8 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
3.9 after December 31, 2024, for sustainable aviation fuel sold after June 30, 2025.

3.10 Sec. 3. Minnesota Statutes 2025 Supplement, section 41A.30, subdivision 5, is amended
3.11 to read:

3.12 Subd. 5. **Allocation limits.** (a) Subject to additional rollover allocation as provided in
3.13 paragraph (b), for tax credits allowed under subdivision 2, the commissioner must not issue
3.14 credit certificates for more than ~~\$11,600,000~~ \$36,900,000 in total, allocated as follows:

3.15 (1) \$7,400,000 for fiscal year 2025; ~~and~~

3.16 (2) \$2,100,000 for ~~each of fiscal years~~ year 2026 and 2027;

3.17 (3) \$7,400,000 for fiscal year 2027;

3.18 (4) \$5,300,000 for fiscal year 2028; and

3.19 (5) \$2,100,000 for each fiscal year from 2029 through 2035.

3.20 (b) Any portion of a fiscal year's credits that is not allocated by the commissioner does
3.21 not cancel and may be carried forward to subsequent fiscal years until ~~all credits have been~~
3.22 ~~allocated~~ the entire allocation has been made, except that the commissioner must not issue
3.23 any credit certificates for fiscal years beginning after June 30, ~~2030~~ 2035, and any unallocated
3.24 amounts cancel on that date.

3.25 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
3.26 after December 31, 2025.

3.27 Sec. 4. Minnesota Statutes 2024, section 41A.30, subdivision 7, is amended to read:

3.28 Subd. 7. **Expiration.** This section expires for taxable years beginning after December
3.29 31, ~~2030~~ 2035.

3.30 **EFFECTIVE DATE.** This section is effective the day following final enactment."

4.1 Amend the title accordingly