

**Subject** Sustainable Aviation Fuel

**Authors** Vang and Lillie

**Analyst** Colbey Sullivan

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## Summary

In the 2023 transportation finance and policy act, the legislature established a \$1.50/gallon state income tax credit for businesses that produce or blend eligible sustainable aviation fuels in Minnesota for use in aircraft departing from Minnesota (Laws 2023, chapter 68, article 3, section 1). By law, the Minnesota Department of Agriculture must accept applications and certify the manufacturers and blenders that are eligible for this credit.

Under current law, one eligibility criterion is that the sustainable aviation fuel must be derived from biomass (e.g., crops, trees, wood and wood waste, plants, etc.) H.F. 4322 would expand eligibility to include sustainable aviation fuels made from certain gaseous carbon oxides or from green electrolytic hydrogen.