

File Number: H.F. 1352
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Authors: Petersburg and others

Subject: Gasoline used as a substitute for aviation gasoline subject to the tax on aviation gasoline

Analyst: Christopher Kleman (christopher.kleman@house.mn)

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Overview

H.F. 1352 exempts dealers of gasoline used as a substitute for aviation gasoline from paying the motor fuels excise tax (28.5 cents per gallon) and would instead impose the aviation gasoline tax (5 cents per gallon). Revenue from this tax on gasoline used as a substitute for aviation gasoline would be credited to the state airports fund. Currently, a person who purchases gasoline but uses it for a non-highway use is eligible for a refund of the motor fuels excise tax.

Section

- 1 Dealer of gasoline used as a substitute for aviation gasoline.** Adds a definition to the fuel tax chapter defining “dealer of gasoline used as a substitute for aviation gasoline” as a person who sells gasoline on the premises of an airport to be dispensed directly into the fuel tank of an aircraft.
- 2 Exemptions.** Exempts gasoline purchased by a dealer of gasoline used as a substitute for aviation gasoline from the fuel excise tax.
- 3 Gasoline tax imposed.** Applies the five cents per gallon aviation gasoline tax to gasoline used as a substitute for aviation gasoline.
- 4 Exception for aviation use.** Provides that the aviation gasoline tax does not apply to gasoline purchased and placed in an aircraft fuel tank outside the state of Minnesota.
- 5 Tax not on consumption.** Provides that the aviation gasoline tax is not a tax upon consumption of gasoline.

Section

- 6 **Exemptions.** Exempts a licensed ambulance service from liability for the aviation gasoline tax, for gasoline used as a substitute for aviation gasoline.
- 7 **Monthly gasoline report; shrinkage allowance.** Requires gasoline taxpayers to include in their monthly reports to the Department of Revenue (DOR) a statement of the number of gallons sold to a dealer of gasoline used as a substitute for aviation gasoline and the amount of aviation tax on gasoline used as a substitute for aviation gasoline.
- 8 **Failure to use or sell for intended purpose; report required.** Requires a person who buys gasoline from a dealer of gasoline used as a substitute for aviation gasoline and pays the aviation tax on it, then uses it in motor vehicles or sells it knowingly to a person for use in motor vehicles, to report this to DOR.
- 9 **Aviation refund requirements.** Requires a person claiming a graduated refund or credit to set forth in the claim form the total number of gallons of gasoline used as a substitute for aviation gasoline on which tax was paid during the calendar year.
- 10 **Claim for refund; aviation tax.** Adds purchasers of gasoline used as a substitute for aviation gasoline to the eligible claimants for refunds of aviation taxes paid and not used in motor vehicles or in aircraft.
- 11 **Refund on graduated basis.** Adds taxpayers who have paid aviation tax on gasoline used as a substitute for aviation gasoline, and who have paid the airflight property tax, to the eligible claimants for refunds on a graduated basis.
- 12 **Intent; gasoline use.** Exempts gasoline sold to a dealer of gasoline used as a substitute for aviation gasoline from the presumption that all gasoline in this state is intended for use in motor vehicles.
- 13 **Airports.** Provides that revenues from excise taxes on gasoline used as a substitute for aviation gasoline are credited to the state airports fund and appropriated to the commissioner as needed.
- 14 **Retention.** Establishes recordkeeping and retention requirements for dealers of gasoline used as a substitute for aviation gasoline.
- 15 **Repealer.** Repeals a subpart of Minnesota Rules that describes who may claim refunds for gasoline used as a substitute for aviation gasoline.