

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 70

(SENATE AUTHORS: RUUD, Rest, Gazelka, Dziedzic, and Senjem)

DATE	D-PG	OFFICIAL STATUS
01/11/2017		Introduction and first reading Referred to Taxes

1.1 A bill for an act
1.2 relating to taxation; special fuels; modifying the tax rate on compressed natural
1.3 gas; amending Minnesota Statutes 2016, section 296A.08, subdivision 2.

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

1.5 Section 1. Minnesota Statutes 2016, section 296A.08, subdivision 2, is amended to read:

1.6 Subd. 2. **Rate of tax.** The special fuel excise tax is imposed at the following rates:

1.7 (a) Liquefied petroleum gas or propane is taxed at the rate of 18.75 cents per gallon.

1.8 (b) Liquefied natural gas is taxed at the rate of 15 cents per gallon.

1.9 (c) Compressed natural gas is taxed at the rate of ~~\$2.174~~ \$1.974 per thousand cubic feet;
1.10 or 25 cents per gasoline equivalent. For purposes of this paragraph, "gasoline equivalent,"
1.11 as defined by the National Conference on Weights and Measures, is 5.66 pounds of natural
1.12 gas or 126.67 cubic feet.

1.13 (d) All other special fuel is taxed at the same rate as the gasoline excise tax as specified
1.14 in section 296A.07, subdivision 2. The tax is payable in the form and manner prescribed
1.15 by the commissioner.

1.16 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
1.17 30, 2017.