

**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	101	Introduction and first reading
		Referred to Taxes
03/08/2017		Comm report: To pass as amended and re-refer to Transportation Finance and Policy

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, sections 296A.01, subdivision 12;

1.4 296A.08, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2016, section 296A.01, subdivision 12, is amended to read:

1.7 Subd. 12. **Compressed natural gas or CNG.** "Compressed natural gas" or "CNG"

1.8 means natural gas, primarily methane, condensed under high pressure and stored in specially

1.9 designed storage tanks at between 2,000 and 3,600 pounds per square inch. For purposes

1.10 of this chapter, the energy content of CNG is considered to be ~~1,000~~ 900 BTUs per cubic

1.11 foot.

1.12 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June

1.13 30, 2017.

1.14 Sec. 2. Minnesota Statutes 2016, section 296A.08, subdivision 2, is amended to read:

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

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

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

1.18 (c) Compressed natural gas is taxed at the rate of ~~\$2.174~~ \$1.974 per thousand cubic feet;

1.19 or 25 cents per gasoline equivalent. For purposes of this paragraph, "gasoline equivalent,"

1.20 as defined by the National Conference on Weights and Measures, is 5.66 pounds of natural

1.21 gas or 126.67 cubic feet.

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

2.4 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
2.5 30, 2017.