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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH SESSION

HOUSE FILE NO. 2011

March 23, 2009
Authored by Magnus
The bill was read for the first time and referred to the Committee on Taxes

A bill for an act

relating to taxation; aggregate production taxes; decreasing the production tax rate; amending Minnesota Statutes 2008, section 298.75, subdivision 2.

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

Section 1. Minnesota Statutes 2008, section 298.75, subdivision 2, is amended to read:

Subd. 2. **Tax imposed.** (a) A county that imposes the aggregate production tax shall impose upon every operator a production tax of ~~21.5~~ up to ten cents per cubic yard or ~~15~~ up to seven cents per ton of aggregate material excavated in the county except that the county board may decide not to impose this tax if it determines that in the previous year operators removed less than 20,000 tons or 14,000 cubic yards of aggregate material from that county. The tax shall not be imposed on aggregate material excavated in the county until the aggregate material is transported from the extraction site or sold, whichever occurs first. When aggregate material is stored in a stockpile within the state of Minnesota and a public highway, road or street is not used for transporting the aggregate material, the tax shall not be imposed until either when the aggregate material is sold, or when it is transported from the stockpile site, or when it is used from the stockpile, whichever occurs first.

(b) A county that imposes the aggregate production tax under paragraph (a) shall impose upon every importer a production tax of ~~21.5~~ up to ten cents per cubic yard or ~~15~~ up to seven cents per ton of aggregate material imported into the county. The tax shall be imposed when the aggregate material is imported from the extraction site or sold. When imported aggregate material is stored in a stockpile within the state of Minnesota and a public highway, road, or street is not used for transporting the aggregate material, the tax shall be imposed either when the aggregate material is sold, when it is transported from

the stockpile site, or when it is used from the stockpile, whichever occurs first. The tax shall be imposed on an importer when the aggregate material is imported into the county that imposes the tax.

(c) If the aggregate material is transported directly from the extraction site to a waterway, railway, or another mode of transportation other than a highway, road or street, the tax imposed by this section shall be apportioned equally between the county where the aggregate material is extracted and the county to which the aggregate material is originally transported. If that destination is not located in Minnesota, then the county where the aggregate material was extracted shall receive all of the proceeds of the tax.

(d) A county, city, or town that receives revenue under this section is prohibited from imposing any additional host community fees on aggregate production within that county, city, or town.

EFFECTIVE DATE. This section is effective July 1, 2009.