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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-SIXTH  
SESSION

**HOUSE FILE No. 3656**

March 15, 2010

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act  
1.2 relating to transportation; modifying certain aviation-related taxes; amending  
1.3 Minnesota Statutes 2008, sections 296A.09, subdivision 1; 296A.17, subdivision  
1.4 3; 360.531, subdivisions 1, 2.

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

1.6 Section 1. Minnesota Statutes 2008, section 296A.09, subdivision 1, is amended to  
1.7 read:

1.8 Subdivision 1. **Gasoline tax imposed.** Subject to any refunds or credits there is  
1.9 imposed an excise tax, at the rate of ~~five~~ six cents per gallon on all aviation gasoline  
1.10 received, sold, stored, or withdrawn from storage in this state. Aviation gasoline is defined  
1.11 in section 296A.01, subdivision 7.

1.12 Sec. 2. Minnesota Statutes 2008, section 296A.17, subdivision 3, is amended to read:

1.13 Subd. 3. **Refund on graduated basis.** Any person who has directly or indirectly  
1.14 paid the excise tax on aviation gasoline or special fuel for aircraft use provided for  
1.15 by this chapter, shall, as to all such aviation gasoline and special fuel received, stored,  
1.16 or withdrawn from storage by the person in this state in any calendar year and not sold  
1.17 or otherwise disposed of to others, or intended for sale or other disposition to others, on  
1.18 which such tax has been so paid, be entitled to the following graduated reductions in such  
1.19 tax for that calendar year, to be obtained by means of the following refunds:

1.20 (1) on each gallon of such aviation gasoline or special fuel up to ~~50,000~~ 200,000  
1.21 gallons, all but ~~five~~ six cents per gallon;

1.22 (2) on each gallon of such aviation gasoline or special fuel above ~~50,000~~ 200,000  
1.23 gallons and not more than ~~150,000~~ 500,000 gallons, all but ~~two~~ three cents per gallon;

2.1 (3) on each gallon of such aviation gasoline or special fuel above ~~150,000~~ 500,000  
2.2 gallons and not more than ~~200,000~~ 1,000,000 gallons, all but one cent per gallon;

2.3 (4) on each gallon of such aviation gasoline or special fuel above ~~200,000~~ 1,000,000  
2.4 gallons, all but one-half cent per gallon.

2.5 Sec. 3. Minnesota Statutes 2008, section 360.531, subdivision 1, is amended to read:

2.6 Subdivision 1. **In lieu tax.** All aircraft using the air space overlying the state of  
2.7 Minnesota or the airports thereof, except as set forth in section 360.55, shall be taxed in  
2.8 lieu of all other taxes thereon, on the basis and at the rate for ~~the period January 1, 1966, to~~  
2.9 ~~June 30, 1967, and for~~ each fiscal year as follows.

2.10 Sec. 4. Minnesota Statutes 2008, section 360.531, subdivision 2, is amended to read:

2.11 Subd. 2. **Rate.** (a) ~~The tax shall be at the rate~~ is the lesser of either:

2.12 (1) one percent of value; ~~provided that~~ or

2.13 (2) 50 cents per pound of maximum gross takeoff weight of the aircraft.

2.14 (b) Notwithstanding paragraph (a), the minimum tax on an aircraft subject to the  
2.15 provisions of sections 360.511 to 360.67 shall not be less than ~~25 percent of the tax on said~~  
2.16 ~~aircraft computed on its base price or \$50 whichever is the higher.~~

2.17 Sec. 5. **EFFECTIVE DATE.**

2.18 Sections 1 to 4 are effective July 1, 2010.