

CHAPTER 296

MOTOR FUELS

296.02	Gasoline, excise tax.	296.17	Fuel unreported or used in other states; road tax; motor carriers; reciprocity.
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296.02 GASOLINE, EXCISE TAX.

[For text of subs 1 to 6, see M.S.1996]

Subd. 7a. [Repealed, 1997 c 216 s 160]

[For text of subd 8, see M.S.1996]

296.141 GASOLINE TAX; SPECIAL FUEL TAX; PETROLEUM TANK RELEASE CLEANUP FEE; AND INSPECTION FEE MONTHLY REPORTS.

[For text of subs 1 to 3, see M.S.1996]

Subd. 4. **Credit or refund of tax paid.** The commissioner shall allow the distributor credit or refund of the tax paid on gasoline and special fuel:

(1) exported or sold for export from the state, other than in the supply tank of a motor vehicle or of an aircraft;

(2) sold to the United States government to be used exclusively in performing its governmental functions and activities or to any "cost plus a fixed fee" contractor employed by the United States government on any national defense project;

(3) if the fuel is placed in a tank used exclusively for residential heating;

(4) destroyed by accident while in the possession of the distributor;

(5) in error;

(6) in the case of gasoline only, sold for storage in an on-farm bulk storage tank, if the tax was not collected on the sale; and

(7) in such other cases as the commissioner may permit, not inconsistent with the provisions of this chapter and other laws relating to the gasoline and special fuel excise taxes.

[For text of subs 5 to 7, see M.S.1996]

History: 1997 c 231 art 7 s 2

296.16 USE IN VARIOUS MOTOR VEHICLES.

Subdivision 1. **Intent; gasoline use.** All gasoline received in this state and all gasoline produced in or brought into this state except aviation gasoline and marine gasoline shall be determined to be intended for use in motor vehicles in this state.

Approximately 1-1/2 percent of all gasoline received in this state and 1-1/2 percent of all gasoline produced or brought into this state, except gasoline used for aviation purposes, is being used as fuel for the operation of motorboats on the waters of this state and of the total revenue derived from the imposition of the gasoline fuel tax for uses other than for aviation purposes, 1-1/2 percent of such revenues is the amount of tax on fuel used in motorboats operated on the waters of this state.

Approximately one percent in fiscal years 1998 and 1999, and three-fourths of one percent thereafter, of all gasoline received in and produced or brought into this state, except gasoline used for aviation purposes, is being used as fuel for the operation of snowmobiles in this state, and of the total revenue derived from the imposition of the gasoline fuel tax for uses other than for aviation purposes, one percent in fiscal years 1998 and 1999, and three-fourths

of one percent thereafter, of such revenues is the amount of tax on fuel used in snowmobiles operated in this state.

Approximately 0.15 of one percent of all gasoline received in or produced or brought into this state, except gasoline used for aviation purposes, is being used for the operation of all-terrain vehicles in this state, and of the total revenue derived from the imposition of the gasoline fuel tax, 0.15 of one percent is the amount of tax on fuel used in all-terrain vehicles operated in this state.

Approximately 0.046 of one percent of all gasoline received or produced in or brought into this state, except gasoline used for aviation purposes, is being used for the operation of off-highway motorcycles in this state, and of the total revenue derived from the imposition of the gasoline fuel tax for uses other than for aviation purposes, 0.046 of one percent is the amount of tax on fuel used in off-highway motorcycles operated in this state.

Approximately .164 of one percent of all gasoline received or produced in or brought into this state, except gasoline used for aviation purposes, is being used for the off-road operation of off-road vehicles, as defined in section 84.797, in this state, and of the total revenue derived from the imposition of the gasoline fuel tax for uses other than aviation purposes, .164 of one percent is the amount of tax on fuel used for off-road operation of off-road vehicles in this state.

[For text of subs 1a and 2, see M.S.1996]

History: 1997 c 159 art 2 s 39

296.17 FUEL UNREPORTED OR USED IN OTHER STATES; ROAD TAX; MOTOR CARRIERS; RECIPROCITY.

[For text of subs 1 to 17, see M.S.1996]

Subd. 18. Cooperative audits. The commissioner may make arrangements with the commissioner of transportation and may enter into agreements with the appropriate authorities of other states having statutes similar to this act for the cooperative audit of motor carriers' reports and returns. In performing any such audit, or part thereof, the officers and employees of the department of transportation and the other state or states shall be deemed authorized agents of this state for such purpose, and such audits, or parts thereof, shall have the same effect as similar audits, or parts thereof, when made by the commissioner.

[For text of subs 19 to 22, see M.S.1996]

History: 1997 c 230 s 20

296.171 FUEL TAX COMPACTS.

[For text of subs 1 to 3, see M.S.1996]

Subd. 4. Exchanges of information. The commissioner of public safety may make arrangements or agreements with the commissioner of transportation and other states to exchange information for audit and enforcement activities in connection with fuel tax licensing. The filing of fuel tax returns under this section is subject to the rights, terms, and conditions granted or contained in the applicable agreement or arrangement made by the commissioner under the authority of this section.

[For text of subs 5 to 10, see M.S.1996]

History: 1997 c 230 s 21

296.18 REFUNDS.

Subdivision 1. Claim; fuel used in other vehicles. Any person who shall buy and use gasoline for a qualifying purpose other than use in motor vehicles, snowmobiles except as provided in clause (2), or motorboats, or special fuel for a qualifying purpose other than use

in licensed motor vehicles, and who shall have paid the Minnesota excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be reimbursed and repaid the amount of the tax paid upon filing with the commissioner a claim in the form and manner prescribed by the commissioner, and containing the information the commissioner shall require. By signing any such claim which is false or fraudulent, the applicant shall be subject to the penalties provided in this section for knowingly making a false claim. The claim shall set forth the total amount of the gasoline so purchased and used by the applicant other than in motor vehicles, or special fuel so purchased and used by the applicant other than in licensed motor vehicles, and shall state when and for what purpose it was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to the commissioner. The commissioner, on being satisfied that the claimant is entitled to the payments, shall approve the claim and transmit it to the commissioner of finance. No repayment shall be made unless the claim and invoice shall be filed with the commissioner within one year from the date of the purchase. The postmark on the envelope in which a written claim is mailed shall determine its date of filing. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft. Gasoline or special fuel bought and used for a "qualifying purpose" means:

(1) Gasoline or special fuel used in carrying on a trade or business, used on a farm situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose" have the meanings given them in section 6420(c)(2), (3), and (4) of the Internal Revenue Code of 1986, as amended through December 31, 1988.

(2) Gasoline or special fuel used for off-highway business use. "Off-highway business use" means any use off the public highway by a person in that person's trade, business, or activity for the production of income. "Off-highway business use" includes:

(a) use of a passenger snowmobile off the public highways as part of the operations of a resort as defined in section 157.15; and

(b) use of gasoline or special fuel to operate a power takeoff unit on a vehicle, but not including fuel consumed during idling time.

"Off-highway business use" does not include use as a fuel in a motor vehicle which, at the time of use, is registered or is required to be registered for highway use under the laws of any state or foreign country.

(3) Gasoline or special fuel placed in the fuel tanks of new motor vehicles, manufactured in Minnesota, and shipped by interstate carrier to destinations in other states or foreign countries.

By July 1, 1998, the commissioner shall adopt rules that determine the rates and percentages necessary to develop formulas for calculating and administering the refund under clause (2)(b).

[For text of subs 2 to 8, see M.S.1996]

History: 1997 c 231 art 7 s 3