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S.F. No. 918 – Credit for ethanol retailers (as proposed to be amended by the A-1 amendment)

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This bill provides an income tax credit based the amount of gasoline blended with ethanol sold and dispensed through pumps at a retail service station. Effective beginning in tax year 2021.

Section 1. Credit for ethanol retailers.

Subd. 1. Definitions. Defines terms applicable to the credit:

“**Dealer**” means a person engaged in the business of buying and selling gasoline and other petroleum products in Minnesota; and

“**Higher ethanol blend**” means gasoline blended with ethanol that contains at least 15 percent, but not more than 85 percent, of ethanol.

Subd. 2. Credit allowed. Allows a tax credit equal to five cents per gallon of higher ethanol blend that the dealer sells and dispenses through metered pumps at the dealer’s service station.

Subd. 3. Pass-through entities. Requires credits granted or transferred to a pass-through entity to be passed through to partners, members, shareholders, or owners on a pro-rata basis according to their share of the entity’s assets, or as otherwise provided in an organizational document.

Subds. 4 and 5. Credit refundable; appropriation. Provides that the credit is refundable and appropriates a sufficient amount from the general fund to pay refunds.

Subd. 6. Sunset. Provides that the credit expires after tax year 2030.