HOUSE RESEARCH

Bill Summary =

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Subject: Tax and other benefits for unsubsidized regular-route transit service

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Section

- 1 License tax. Provides a license tax exemption until July 1, 2025, for vehicles owned by a motor carrier of passengers and operated in an urban area of 50,000 or more primarily to provide regular route transit service without state or local operating assistance.
- Use of freeway shoulders. Amends the provision of law that requires the Department of Transportation to allow all 40 or more passenger buses operated by a motor carrier of passengers to use freeway shoulders if the department allows transit buses to use the shoulders, by removing the provision that restricts this authorization to the seven-county metropolitan area.
- Corporate income tax. Excludes from corporate taxable income until January 1, 2026, all income earned by a motor carrier of passengers from regular route transit service operated in an urban area of 50,000 or more without state or local operating assistance, in vehicles exempt from license tax under section 0.
- **Gasoline tax.** Exempts from the state tax on gasoline until July 1, 2025, all gasoline purchased by a motor carrier of passengers for use solely in vehicles exempt from license tax under section 0to provide regular route transit service in an urban area of 50,000 or more without state or local operating assistance.
- **Special fuel tax.** Provides the same exemption as in section 0 from the special fuel tax.
- Use of bus stops. Requires the Metropolitan Council to take all necessary steps to allow providers of regular route transit without state or local operating assistance to use bus stops and shelters that the council uses in providing regular route transit, unless such use would unreasonably interfere with safety and reliability of the council's own transit operations. Applies only to vehicles that provide service outside the metropolitan area, and do not pick up or drop off passengers within the metropolitan area.

