

HOUSE RESEARCH

Bill Summary

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Section

- 1 Gasoline tax.** Increases the gasoline tax from 20 to 25 cents per gallon and makes proportional increases in taxes on E85 and M85.
- 2 Special fuel tax.** Makes proportional increases in taxes on special fuel used on highways.
- 3 Indexing.** Provides for annual indexing of motor fuel taxes to inflation beginning in April 2008.
- 4 Motor vehicle sales tax.** Increases from 32 to 50 percent the percentage of motor vehicle sales tax revenue deposited in the highway user tax distribution fund. Increases from 20.5 to 47 percent the percentage of motor vehicle sales tax revenue deposited in the metropolitan area transit fund. Increases from 1.25 to 3 percent the percentage of motor vehicle sales tax revenue deposited in the greater Minnesota transit fund. Eliminates the percentage going to the general fund. Effective July 1, 2007.
- 5 Appropriation.** Appropriates \$210 million in each fiscal year from 2006 through 2016 from the bond proceeds account in the trunk highway fund for trunk highway improvements, allocated half to metropolitan bottleneck elimination and half to greater Minnesota interregional corridor improvements. Allows up to 15 percent for program delivery.
- 6 Trunk highway bonds.** Authorizes sale of \$2.1 billion in trunk highway bonds to fund the appropriation in section 0.