

1.1 moves to amend H.F. No. 811 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2012, section 296A.09, subdivision 2, is amended to
1.4 read:

1.5 Subd. 2. **Jet fuel and special fuel tax imposed.** There is imposed an excise tax
1.6 of ~~the same rate~~ 15 cents per gallon as the aviation gasoline on all jet fuel or special
1.7 fuel received, sold, stored, or withdrawn from storage in this state, for use as substitutes
1.8 for aviation gasoline and not otherwise taxed as gasoline. Jet fuel is defined in section
1.9 296A.01, subdivision 8.

1.10 Sec. 2. Minnesota Statutes 2012, section 296A.09, is amended by adding a subdivision
1.11 to read:

1.12 Subd. 3a. **Excise tax for certain airline companies.** Subdivision 2 does not apply
1.13 to jet fuel or special fuel purchased by an airline company that is engaged in air commerce
1.14 in this state and is required to pay air flight property tax under section 270.072. An excise
1.15 tax of five cents per gallon is imposed on fuel that is described in this subdivision.

1.16 Sec. 3. Minnesota Statutes 2012, section 296A.17, subdivision 3, is amended to read:

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1.20 and special fuel received, stored, or withdrawn from storage by the person in this state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

- 2.1 (1) on each gallon of such aviation gasoline or special fuel up to 50,000 gallons, all
2.2 but five cents per gallon;
- 2.3 (2) on each gallon of such aviation gasoline or special fuel above 50,000 gallons and
2.4 not more than 150,000 gallons, all but two cents per gallon;
- 2.5 (3) on each gallon of such aviation gasoline or special fuel above 150,000 gallons
2.6 and not more than 200,000 gallons, all but one cent per gallon;
- 2.7 (4) on each gallon of such aviation gasoline or special fuel above 200,000, all but
2.8 one-half cent per gallon.

2.9 Sec. 4. Minnesota Statutes 2012, section 296A.17, is amended by adding a subdivision
2.10 to read:

2.11 Subd. 3a. **Nonrefundable excise tax.** Any person who has directly or indirectly
2.12 paid the jet fuel or special fuel tax imposed under section 296A.09, subdivision 2, is not
2.13 entitled to a tax refund under subdivision 3.

2.14 Sec. 5. Minnesota Statutes 2012, section 297A.82, subdivision 4, is amended to read:

2.15 Subd. 4. **Exemptions.** (a) The following transactions are exempt from the tax
2.16 imposed in this chapter to the extent provided.

2.17 (b) The purchase or use of aircraft previously registered in Minnesota by a
2.18 corporation or partnership is exempt if the transfer constitutes a transfer within the
2.19 meaning of section 351 or 721 of the Internal Revenue Code.

2.20 (c) The sale to or purchase, storage, use, or consumption by a licensed aircraft dealer
2.21 of an aircraft for which a commercial use permit has been issued pursuant to section
2.22 360.654 is exempt, if the aircraft is resold while the permit is in effect.

2.23 (d) Air flight equipment when sold to, or purchased, stored, used, or consumed by
2.24 airline companies, as defined in section 270.071, subdivision 4, is exempt. For purposes
2.25 of this subdivision, "air flight equipment" includes airplanes and parts necessary for the
2.26 repair and maintenance of such air flight equipment, and flight simulators, but does
2.27 not include airplanes with a gross weight of less than 30,000 pounds that are used on
2.28 intermittent or irregularly timed flights.

2.29 (e) Sales of, and the storage, distribution, use, or consumption of aircraft, as defined
2.30 in section 360.511 and approved by the Federal Aviation Administration, and which the
2.31 seller delivers to a purchaser outside Minnesota or which, without intermediate use, is
2.32 shipped or transported outside Minnesota by the purchaser are exempt, but only if the
2.33 purchaser is not a resident of Minnesota and provided that the aircraft is not thereafter
2.34 returned to a point within Minnesota, except in the course of interstate commerce or

3.1 isolated and occasional use, and will be registered in another state or country upon its
 3.2 removal from Minnesota. This exemption applies even if the purchaser takes possession of
 3.3 the aircraft in Minnesota and uses the aircraft in the state exclusively for training purposes
 3.4 for a period not to exceed ten days prior to removing the aircraft from this state.

3.5 (f) The sale or purchase of the following items that relate to aircraft operated under
 3.6 Federal Aviation Regulations, Parts 91 and 135, and associated installation charges:
 3.7 airflight equipment; parts necessary for repair and maintenance of aircraft; and equipment
 3.8 and parts to upgrade and improve aircraft.

3.9 Sec. 6. Minnesota Statutes 2012, section 297A.82, is amended by adding a subdivision
 3.10 to read:

3.11 Subd. 4a. **Deposit in state airports fund.** Tax revenue collected from the sale or
 3.12 purchase of an aircraft taxable under this chapter must be deposited in the state airports
 3.13 fund, established in section 360.017.

3.14 Sec. 7. Minnesota Statutes 2012, section 360.531, subdivision 2, is amended to read:

3.15 Subd. 2. **Rate.** The tax shall be at the rate of one percent of value; provided that
 3.16 the minimum tax on an aircraft subject to the provisions of sections 360.511 to 360.67
 3.17 shall not be less than 25 percent of the tax on said aircraft computed on its base price or
 3.18 \$50 whichever is the higher. as follows:

3.19 <u>Base Price</u>	3.19 <u>Tax</u>
3.20 <u>\$499,999 and under</u>	3.20 <u>\$100</u>
3.21 <u>\$500,000 to \$999,999</u>	3.21 <u>\$200</u>
3.22 <u>\$1,000,000 to \$2,499,999</u>	3.22 <u>\$2,000</u>
3.23 <u>\$2,500,000 to \$4,999,999</u>	3.23 <u>\$4,000</u>
3.24 <u>\$5,000,000 to \$7,499,999</u>	3.24 <u>\$7,500</u>
3.25 <u>\$7,500,000 to \$9,999,999</u>	3.25 <u>\$10,000</u>
3.26 <u>\$10,000,000 to \$12,499,999</u>	3.26 <u>\$12,500</u>
3.27 <u>\$12,500,000 to \$14,999,999</u>	3.27 <u>\$15,000</u>
3.28 <u>\$15,000,000 to \$17,499,999</u>	3.28 <u>\$17,500</u>
3.29 <u>\$17,500,000 to \$19,999,999</u>	3.29 <u>\$20,000</u>
3.30 <u>\$20,000,000 to \$22,499,999</u>	3.30 <u>\$22,500</u>
3.31 <u>\$22,500,000 to \$24,999,999</u>	3.31 <u>\$25,000</u>
3.32 <u>\$25,000,000 to \$27,499,999</u>	3.32 <u>\$27,500</u>
3.33 <u>\$27,500,000 to \$29,999,999</u>	3.33 <u>\$30,000</u>
3.34 <u>\$30,000,000 to \$39,999,999</u>	3.34 <u>\$50,000</u>
3.35 <u>\$40,000,000 and over</u>	3.35 <u>\$75,000</u>

3.36 Sec. 8. Minnesota Statutes 2012, section 360.531, subdivision 4, is amended to read:

4.1 Subd. 4. **Base price for taxation.** For the purpose of fixing a base price for taxation
 4.2 ~~from which depreciation in value at a fixed percent per annum can be counted, such, the~~
 4.3 base price is defined as follows:

4.4 (a) The base price for taxation of an aircraft shall be the manufacturer's list price.

4.5 (b) The commissioner shall have authority to fix the base value for taxation purposes
 4.6 of any aircraft of which no such similar or corresponding model has been manufactured,
 4.7 and of any rebuilt or foreign aircraft, any aircraft on which a record of the list price is not
 4.8 available, or any military aircraft converted for civilian use, using as a basis for ~~such~~
 4.9 valuation the list price of aircraft with comparable performance characteristics, and taking
 4.10 into consideration the age and condition of the aircraft.

4.11 Sec. 9. Minnesota Statutes 2012, section 360.66, is amended to read:

4.12 **360.66 STATE AIRPORTS FUND.**

4.13 Subdivision 1. **Tax credited to fund.** The proceeds of the tax imposed on aircraft
 4.14 under sections ~~360.54~~ 360.531 to 360.67 and all fees and penalties provided for therein
 4.15 shall be collected by the commissioner and paid into the state treasury and credited to the
 4.16 state airports fund created by other statutes of this state.

4.17 Subd. 2. **Reimbursement for expenses.** There shall be transferred by the
 4.18 commissioner of management and budget each year from the state airports fund to the
 4.19 general fund in the state treasury the amount expended from the latter fund for expenses of
 4.20 administering the provisions of sections ~~360.54~~ 360.531 to 360.67.

4.21 Sec. 10. **REPORT.**

4.22 On or before June 30, 2016, and every four years thereafter, the commissioner of
 4.23 transportation, in consultation with the commissioner of revenue, shall prepare and submit
 4.24 to the chairs and ranking minority members of the senate and house of representatives
 4.25 committees with jurisdiction over transportation policy and budget, a report that identifies
 4.26 the amount and sources of annual revenues attributable to each type of aviation tax, along
 4.27 with annual expenditures from the state airports fund, and any other transfers out of the
 4.28 fund, during the previous four years. The report must include draft legislation for any
 4.29 recommended statutory changes to ensure the future adequacy of the state airports fund.

4.30 Sec. 11. **EFFECTIVE DATE.**

4.31 Sections 1 to 4 are effective July 1, 2014, and apply to sales and purchases made
 4.32 on and after that date. Sections 5 and 6 are effective July 1, 2013, and apply to sales and

- 5.1 purchases made on and after that date. Sections 7 to 9 are effective July 1, 2014, and apply
- 5.2 to aircraft tax due on and after that date. Section 10 is effective July 1, 2013."
- 5.3 Amend the title accordingly