

S.F. No. 2753 – Sustainable Aviation Fuel Tax Credit

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S.F. 2723 establishes a refundable sustainable aviation fuel (“SAF”) tax credit and related sales tax exemption for blenders and producers of sustainable aviation fuel.

Section 1 adds a reference to SAF to the weights and measures chapter of Minnesota statutes. Effective the day following final enactment.

Section 2 provides a refundable income and corporate franchise tax credit equal to \$1.50 per gallon of SAF produced or blended in Minnesota. Requires the commissioners of revenue and agriculture to prescribe the manner in which the credit will be claimed. Expires January 1, 2035, for taxable years beginning after December 31, 2034.

Section 3 provides the definition of SAF in the gasoline tax chapter. Effective the day following final enactment.

Section 4 specifies that SAF is exempt from aviation gasoline and jet fuel taxes. Effective the day following final enactment.

Section 5 specifies that SAF is exempt from sales tax. Effective the day following final enactment.

Section 6 provides a sales tax exemption for construction materials and supplies used or consumed in, and equipment incorporated into, the construction, reconstruction, or improvement of a facility that produces or blends SAF. Effective for sales and purchases made after June 30, 2024, and before July 1, 2034.

Sections 7 and 8 add the reference from section 6 to the sales tax refund application statutes. Effective for sales and purchases made after June 30, 2024.