



S.F. No. 2129 – PFAS gross revenues tax (as proposed to be amended by the A-1 amendment)

Author: Senator Judy Seeberger

Prepared by: Nora Pollock, Senate Counsel (nora.pollock@mnsenate.gov)

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This bill establishes a tax on the gross revenues of manufacturers of perfluoroalkyl and polyfluoroalkyl substances (PFAS) and the gross revenues derived from the retail sale of products containing PFAS, and establishes the PFAS cleanup account and PFAS cleanup advisory commission. All sections are effective the day following final enactment.

Section 1. PFAS gross revenues tax.

Subd. 1. Definitions. Establishes definitions of “commissioner,” “gross revenues,” “manufacturer,” “perfluoroalkyl and polyfluoroalkyl substances (PFAS),” “person,” “products containing PFAS,” and “retailer.”

Subd. 2. Nexus required. Establishes that, for purposes of determining liability to collect and remit the tax, a person who maintains, directly or by a subsidiary or affiliate, a plant, center, office, warehouse, or other place where manufacturing occurs is deemed to have nexus in Minnesota. For retailers, a person required to collect and remit sales taxes is deemed to have minimum contacts in the state.

Subd. 3. Tax imposed. Imposes a 50 percent tax on gross revenues derived from products containing PFAS manufactured in Minnesota and sold by a distributor, and a 50 percent tax on the gross revenues derived from the retail sales of products containing PFAS in Minnesota.

Subd. 4. Reporting requirements. Requires persons subject to the tax to file a monthly informational report with the commissioner of revenue. Tax payments are not required to be remitted with the report.

Subd. 5. Administration. Specifies that the provisions of the tax administration chapters under current law apply to the PFAS gross receipts tax.

Subd. 6. Returns; payment of tax. Requires reporting and payment of the tax in a form and manner prescribed by the commissioner. Tax must be remitted on an annual basis.

Subd. 7. Credit for taxes paid. Allows a credit for taxes paid to another jurisdiction on gross revenues, equal to the lesser of the tax actually paid to the jurisdiction or the amount of tax imposed by Minnesota on the gross revenues subject to tax in the other jurisdiction.

Subd. 8. Interest on overpayments. Requires interest to be paid on an overpayment refunded or credited to the taxpayer under provisions of current law.

Subd. 9. Deposit of revenues. Requires the commissioner to deposit the revenues from the gross receipts tax, including penalties and interest, to the general fund.

Section 2. Cleanup account.

Subd. 1. Purpose. States that the purpose of the account is to fund environmental cleanup in the state.

Subd. 2. Account creation. Establishes the PFAS cleanup account in the special revenue fund.

Subd. 3. Transfer of revenues. Requires the revenues raised from the tax imposed in section 1 to be transferred to the PFAS cleanup account by July 15 annually and appropriates the amount transferred from the general fund to the PFAS cleanup account.

Subd. 4. Use of funds. Requires that funds in the PFAS account must be managed by the State Board of Investment and used for the purposes prescribed by the PFAS Cleanup Advisory Commission established in section 3.

Section 3. PFAS Cleanup Advisory Commission.

Subd. 1. Establishment. Establishes the PFAS Cleanup Advisory Commission and states the purpose of the commission.

Subd. 2. Membership. Prescribes the membership of the commission.

Subd. 3. Meetings. Requires the commission to meet at intervals established by the commission at its first meeting.

Subd. 4. Report. Requires the commission to recommend proper use of the money in the PFAS cleanup account in a report to the State Board of Investment each year.

Subd. 5. Terms; vacancies. Prescribes the terms of commission members and how vacancies are filled for unexpired terms. Members may be removed or replaced at the pleasure of the appointing authority. If a member ceases to be a member of the legislative body from which the member was appointed, that membership is vacated.

Subd. 6. Officers. Requires that the chair and vice-chair must alternate every two years between the house and senate, and that the chair and vice-chair may not be from the same legislative chamber.

Subd. 7. Expenses. Provides for reimbursement of actually and necessarily incurred in the performance of commissioners' duties.

Subd. 8. Initial appointments. Requires the appointing authorities established in subd. 2 to make initial appointments by January 15, 2026, and for the speaker of the house to designate one member of the commissioner to convene the first commission meeting by July 1, 2026. The commission's first report is due December 15, 2026.



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95 University Ave. W., STE 3300, Saint Paul, MN, 55155