SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 2688

(SENATE AUTHORS: JOHNSON STEWART)

DATE	D-PG	OFFICIAL STATUS
03/17/2025	872	Introduction and first reading Referred to Transportation
04/01/2025	1141	Comm report: No recommendation, re-referred to Taxes
04/10/2025	1792	Comm report: To pass and re-referred to Transportation See First Special Session, HF14

A bill for an act

relating to motor vehicles; modifying the surcharge on all-electric vehicles; imposing surcharges on plug-in hybrid electric vehicles, electric motorcycles, and plug-in hybrid electric motorcycles; defining types of electric motorcycles; requiring surcharge rate adjustments; amending Minnesota Statutes 2024, sections 168.013, subdivision 1m, by adding subdivisions; 169.011, by adding subdivisions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 168.013, subdivision 1m, is amended to read:

Subd. 1m. **Electric vehicle.** ~~In addition to the tax under subdivision 1a~~ (a) Subject to paragraph (b), a surcharge of ~~$75~~ $200 is imposed for an all-electric vehicle, as defined in section 169.011, subdivision 1a. The surcharge is in addition to the tax under subdivision 1a.

(b) By October 1 annually, the commissioner must calculate and publish an adjusted surcharge under this subdivision, which applies to taxes payable for a registration period starting on or after the following January 1. Each adjusted surcharge must:

(1) equal:

(i) the surcharge under paragraph (a) as previously adjusted under this paragraph; multiplied by

(ii) one plus the percentage increase, if any, in the gasoline excise tax rate under section 296A.07, subdivision 3, as determined from the rate in effect at the time of calculation compared to the rate to be imposed on the following January 1; and

(2) be rounded to the nearest whole dollar.

(c) Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must be deposited in the highway user tax distribution fund.

Sec. 2. Minnesota Statutes 2024, section 168.013, is amended by adding a subdivision to read:

Subd. 1n. **Plug-in hybrid electric vehicle.** (a) Subject to paragraph (b), a surcharge of $100 is imposed for a plug-in hybrid electric vehicle as defined in section 169.011, subdivision 54a. The surcharge is in addition to the tax under subdivision 1a.

(b) By October 1 annually, the commissioner must calculate and publish an adjusted surcharge under this subdivision, which applies to taxes payable for a registration period starting on or after the following January 1. Each adjusted surcharge must:

(1) equal:

(i) the surcharge under paragraph (a) as previously adjusted under this paragraph; multiplied by

(ii) one plus the percentage increase, if any, in the gasoline excise tax rate under section 296A.07, subdivision 3, as determined from the rate in effect at the time of calculation compared to the rate to be imposed on the following January 1; and

(2) be rounded to the nearest whole dollar.

(c) Notwithstanding subdivision 8, revenue from the surcharge imposed under this subdivision must be deposited in the highway user tax distribution fund.

Sec. 3. Minnesota Statutes 2024, section 168.013, is amended by adding a subdivision to read:

Subd. 1o. **All-electric motorcycle.** (a) Subject to paragraph (b), a surcharge of $40 is imposed for an all-electric motorcycle as defined in section 169.011, subdivision 1b. The surcharge is in addition to the tax under subdivision 1b.

(b) By October 1 annually, the commissioner must calculate and publish an adjusted surcharge under this subdivision, which applies to taxes payable for a registration period starting on or after the following January 1. Each adjusted surcharge must:

(1) equal:

(i) the surcharge under paragraph (a) as previously adjusted under this paragraph; multiplied by

(ii) one plus the percentage increase, if any, in the gasoline excise tax rate under section 296A.07, subdivision 3, as determined from the rate in effect at the time of calculation compared to the rate to be imposed on the following January 1; and

(2) be rounded to the nearest whole dollar.

(c) Notwithstanding subdivision 8, revenue from the surcharge imposed under this subdivision must be deposited in the highway user tax distribution fund.

Sec. 4. Minnesota Statutes 2024, section 168.013, is amended by adding a subdivision to read:

Subd. 1p. **Plug-in hybrid electric motorcycle.** (a) Subject to paragraph (b), a surcharge of $20 is imposed for a plug-in hybrid electric motorcycle as defined in section 169.011, subdivision 54c. The surcharge is in addition to the tax under subdivision 1b.

(b) By October 1 annually, the commissioner must calculate and publish an adjusted surcharge under this subdivision, which applies to taxes payable for a registration period starting on or after the following January 1. Each adjusted surcharge must:

(1) equal:

(i) the surcharge under paragraph (a) as previously adjusted under this paragraph; multiplied by

(ii) one plus the percentage increase, if any, in the gasoline excise tax rate under section 296A.07, subdivision 3, as determined from the rate in effect at the time of calculation compared to the rate to be imposed on the following January 1; and

(2) be rounded to the nearest whole dollar.

(c) Notwithstanding subdivision 8, revenue from the surcharge imposed under this subdivision must be deposited in the highway user tax distribution fund.

Sec. 5. Minnesota Statutes 2024, section 169.011, is amended by adding a subdivision to read:

Subd. 1b. **All-electric motorcycle.** (a) "All-electric motorcycle" means an electric motorcycle that is solely able to be powered by an electric motor drawing current from rechargeable storage batteries, fuel cells, or other portable sources of electrical current.

(b) All-electric motorcycle excludes a plug-in hybrid electric motorcycle.

Sec. 6. Minnesota Statutes 2024, section 169.011, is amended by adding a subdivision to read:

Subd. 54c. **Plug-in hybrid electric motorcycle.** "Plug-in hybrid electric motorcycle" means an electric motorcycle that:

(1) contains an internal combustion engine and also allows power to be delivered to the drive wheels by a battery-powered electric motor;

(2) when connected to the electrical grid via an electrical outlet, is able to recharge its battery; and

(3) has the ability to travel at least 20 miles powered substantially by electricity.

Sec. 7. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber the subdivisions in Minnesota Statutes, section 169.011, so that the definitions appear in alphabetical order. The revisor must make necessary cross-reference changes in Minnesota Statutes consistent with the renumbering.

Sec. 8. **EFFECTIVE DATE.**

This act is effective August 1, 2025.