



**MINNESOTA**  
**PETROLEUM TAXES**  
**ANNUAL REPORT**

**Petroleum Taxes in Minnesota** was prepared by the Petroleum Tax Unit of the Minnesota Department of Revenue. For additional copies or further information, contact: Petroleum Tax Unit, Minnesota Department of Revenue, Mail Station 3333, St. Paul, MN 55146-3333, 651-296-0889 or visit our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us).

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# 2011 Report on Petroleum Taxes

## Introduction

The mission of the Petroleum Tax Unit is to achieve compliance with the laws pertaining to the taxes and fees we administer. Most revenues collected are dedicated to specific purposes:

Taxes and Fees	Collected in 2010	Distribution
Motor vehicle gasoline and special fuel taxes . . . . .	\$765 million . . . .	Dedicated to the Highway User Tax Distribution Fund
Aviation gasoline and jet fuel . . . . .	\$4.8 million . . . .	Dedicated to Aviation Fuel Tax Fund
Cleanup fee ( <i>imposed when the fund level goes below \$4 million, and is in effect for periods of four consecutive months</i> ) . . . . .	\$27.4 million . . . .	Used to clean up spills from leaking storage tanks
Inspection fees . . . . .	\$3.8 million . . . .	Used for activities performed by the Department of Commerce, Weights and Measures Division; to provide funding to improve the efficiency of heating in low-income housing; and the General Fund
Propane fees . . . . .	\$293,221 . . . .	Used to improve the efficiency of heating units in low-income housing
License fees . . . . .	\$12,550 . . . .	General Fund

## The Petroleum Tax Unit

The Petroleum Tax Unit collects state taxes on gasoline, special fuel, aviation special fuel and aviation gasoline, and collects inspection and cleanup fees on petroleum products received in Minnesota. It licenses distributors, special fuel dealers and bulk purchasers, and issues certain gasoline and special fuel tax refunds.

**The Petroleum Tax Unit is comprised of the following units which perform a wide range of activities:**

- The *License Unit* issues new distributor and special fuel licenses.
- The *Document Processing Unit* receives, records and pre-audits returns from distributors, special fuel dealers and bulk purchasers; and prepares and maintains

records of receipts and disbursements, including additional tax and overpayment notices and related correspondence.

- The *Computer Support Unit* provides assistance in developing and maintaining all computer systems.
- The *Office Audit Unit* audits terminal reports and distributor and special fuel tax returns, initiates assessments and credits, maintains files on licensed accounts, processes aviation and miscellaneous refund claims, and answers questions on adjustments and reporting procedures.
- The *Field Audit Unit* performs field audits of licensed distributors, special fuel dealers, bulk purchasers and interstate trucking compa-

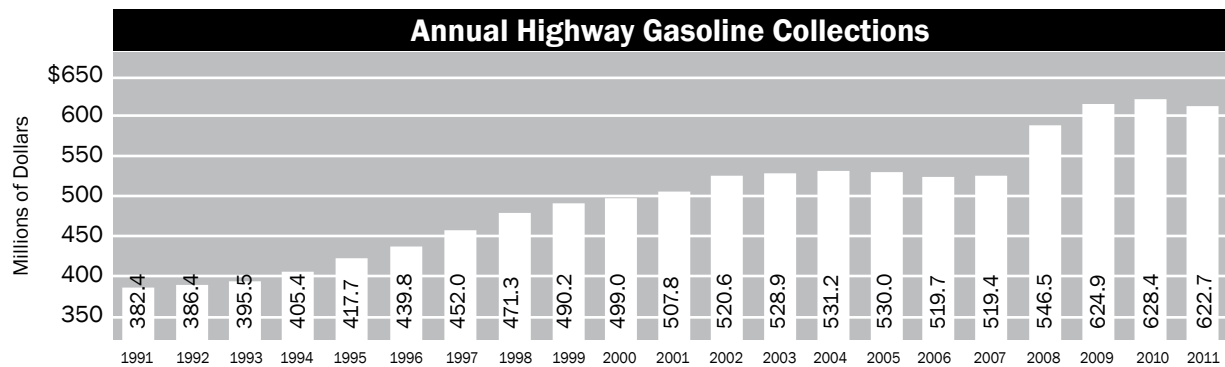
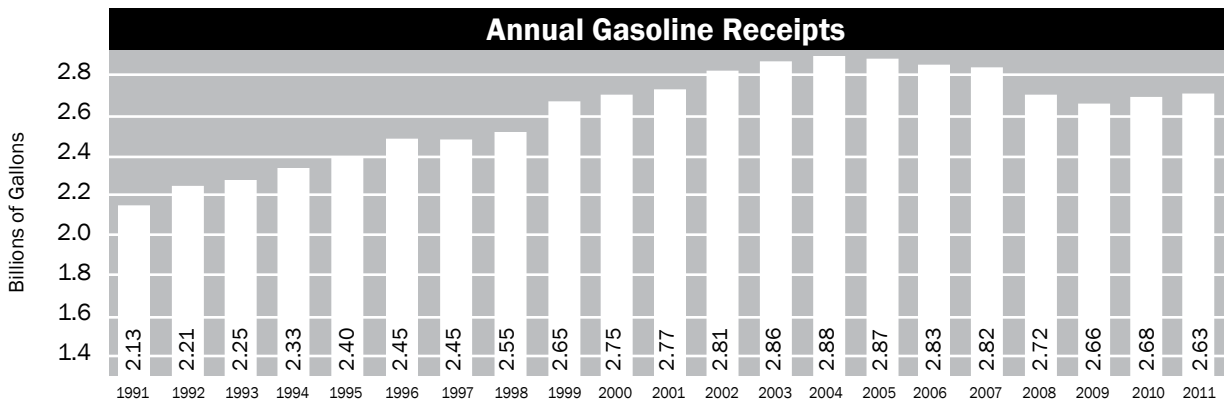
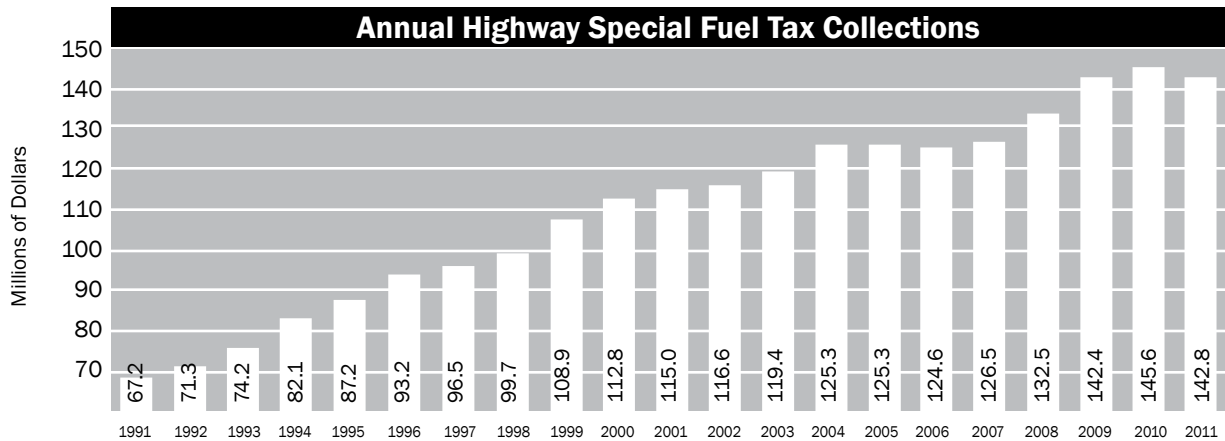
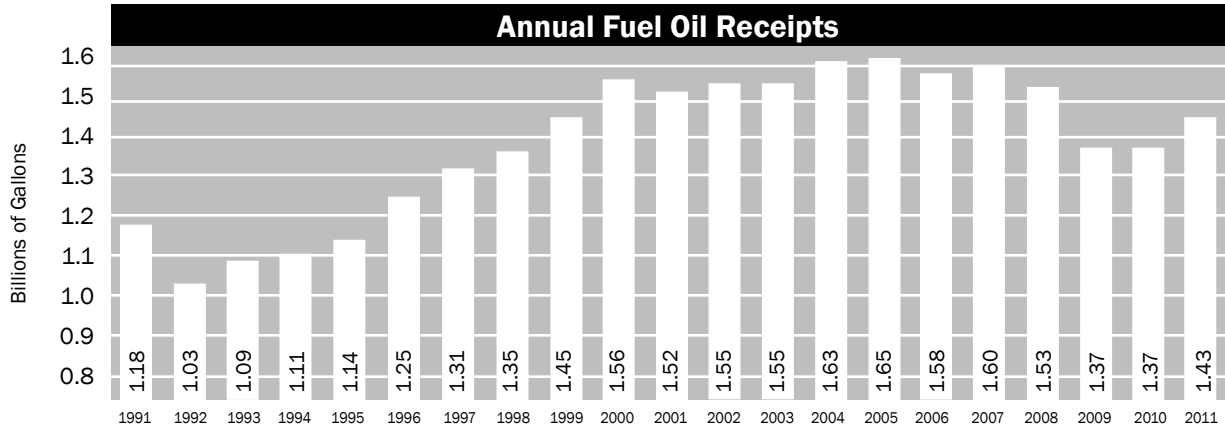
nies, and reviews refund claims. It assists clientele in setting up record keeping systems, and detects and assesses taxes due from unlicensed accounts consuming or selling petroleum products on which the tax has not been paid or accrued.

The Field Audit Unit also administers the dyed fuel program, which includes checking licensed vehicles throughout the state.

### License Summary

Distributors of petroleum products . . . . .	418
Special fuel dealers and bulk purchasers . . . . .	<u>169</u>
<b>Total . . . . .</b>	<b>587</b>

# Receipts and Collections, 1991–2011



## Product Receipts, Collections, Refunds and Distribution

Period from Jan. 1, 2011, to Dec. 31, 2011

Fuel Oil Gallons	1,426,639,747
Less: Out-of-State Shipments	<u>91,782,708</u>
Gassons Feeable	1,334,857,039

	Gasoline Gallons	Special Fuel	Total Gallons
Gallons Received (all products)	2,633,082,126	1,030,634,775	3,663,716,901
LPG		1,809,814	
CNG		58,035,578	
E85	16,166,122		
Less Adjustments:			
Out-of-State Sales	136,948,682		
U.S. Government Sales	2,923,687		
Shrinkage	62,399,265	9,185,286	
Tax Exempt Farm Sales	19,450,608		
Miscellaneous	11,855	52,643,094	
Total Adjustments	221,734,097	61,828,380	283,562,477
Gallons Taxable	2,411,348,029	968,806,395	3,380,154,424
Highway	2,408,059,773	636,346,698	3,044,406,471
Aviation	3,288,256	332,459,697	335,747,953
<b>Gallons Taxable</b>	<b>2,411,348,029</b>	<b>968,806,395</b>	<b>3,380,154,424</b>

Tax Collections	Gasoline	Special Fuel	Total Gallons
Highway	\$622,676,620.06	\$142,784,004.03	\$765,460,624.09
Aviation	<u>161,669.30</u>	<u>4,653,669.66</u>	<u>4,815,338.96</u>
Total Taxes	\$622,838,289.36	\$147,437,673.69	\$770,275,963.05

Other Collections			
Inspection Fees			3,833,377.20
License Fees			12,550.00
Cleanup Fund			27,413,515.52
Propane Fee			293,221.48
Surcharge			80,617,405.43
Organic Fuel			<u>1,962.93</u>
Total Collections			\$882,447,995.61

Refunds and Fund Distribution	Highway	Aviation	General
Total Collections	\$765,460,624.09	\$4,815,338.96	\$112,172,032.56
Less: Refunds	<u>12,202,811.61</u>	<u>1,196,471.86</u>	<u>9,665.92</u>
Net Fund Distribution	\$753,257,812.47	\$3,618,867.10	\$112,162,366.64

## Gasoline and Special Fuel Taxes Collected and Refunded 1961-2011

Year	Tax Per Gallon	Tax Collected	Tax Refunded
2011	6 months 27.5¢; 6 months 28¢	\$765,460,624.09	\$12,202,811.62
2010	6 months 27.1¢; 6 months 27.5¢	774,067,796.50	10,662,103.03
2009	6 months 25.5¢; 6 months 27.1¢	767,392,561.88	18,614,175.26
2008	3 months 20¢; 4 months 22¢; 2 months 22.5¢; 3 months 25.5¢	679,084,041.82	8,886,982.08
2007	20¢	646,001,188.27	8,846,374.45
2006	20¢	644,418,038.55	7,950,856.28
2005	20¢	655,242,014.24	8,569,021.14
2004	20¢	656,307,247.12	11,218,454.39
2003	20¢	648,107,736.81	8,487,078.77
2002	20¢	636,893,632.17	8,143,828.84
2001	20¢	622,644,704.19	9,597,964.83
2000	20¢	611,876,738.51	6,923,680.32
1999	20¢	599,240,565.97	9,228,164.18
1998	20¢	571,085,568.54	9,936,991.92
1997	20¢	548,569,708.72	9,197,513.93
1996	20¢	533,065,410.23	7,609,564.73
1995	20¢	504,936,233.21	5,133,058.03
1994	20¢	487,612,547.14	3,658,634.90
1993	20¢	469,745,880.73	3,469,202.77
1992	20¢	457,784,138.11	3,550,008.81
1991	20¢	449,872,107.06	2,658,657.17
1990	20¢	461,530,339.09	2,916,219.75
1989	20¢	449,755,119.40	3,209,955.82
1988	4 months 17¢; 8 months 20¢	427,578,443.31	2,895,210.47
1987	17¢	372,474,267.49	3,349,516.99
1986	17¢	348,401,660.26	3,900,598.96
1985	17¢	347,552,965.57	3,351,927.21
1984	17¢	357,551,583.00	3,085,954.78
1983	4 months 13¢; 8 months 16¢	309,928,019.49	2,468,316.19
1982	13¢	276,497,527.84	1,633,727.27
1981	5 months 11¢; 7 months 13¢	258,183,696.99	749,861.39
1980	4 months 9¢; 8 months 11¢	226,662,375.68	7,466,283.48
1979	9¢	220,564,628.60	10,041,154.47
1978	9¢	219,725,768.70	11,579,868.54
1977	9¢	211,389,396.68	10,693,832.22
1976	9¢	203,086,665.00	12,694,206.60
1975	5 months 7¢; 7 months 9¢	174,903,815.95	9,703,477.36
1974	7¢	150,092,905.69	9,652,371.05
1973	7¢	157,270,518.72	9,289,870.24
1972	7¢	150,036,967.21	11,025,263.83
1971	7¢	143,622,708.30	10,102,569.89
1970	7¢	135,753,791.48	11,092,064.20
1969	7¢	128,964,143.60	11,433,060.45
1968	7¢	122,830,002.95	11,261,344.75
1967	6 months 6¢; 6 months 7¢	106,441,201.77	9,479,885.92
1966	6¢	95,779,204.74	10,160,579.82
1965	6¢	91,097,142.82	10,089,306.90
1964	6¢	87,366,913.16	11,134,261.64
1963	6 months 5¢; 6 months 6¢	78,057,787.04	8,445,620.95
1962	5¢	68,767,487.79	8,958,795.15
1961	5¢	67,307,877.90	8,844,902.65

## Receipts of Petroleum Products in Minnesota 1961-2011

Year	Gasoline (Gallons)	Fuel Oil (Gallons)	Farm Tractor Fuel (Gallons)	Inspection Fees Collected
2011	2,633,082,126	1,426,639,747		3,833,377.20
2010	2,686,596,888	1,372,344,437		3,956,593.91
2009	2,669,172,794	1,377,366,515		3,952,934.75
2008	2,720,934,741	1,531,459,901		4,047,569.32
2007	2,824,724,952	1,609,102,191		4,165,989.02
2006	2,838,551,397	1,585,493,822		4,109,997.37
2005	2,870,440,488	1,650,972,223		4,169,917.96
2004	2,886,160,647	1,629,420,159		3,953,570.57
2003	2,868,169,544	1,557,948,323		3,614,841.37
2002	2,819,242,414	1,558,423,165		3,703,906.99
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2001	2,779,743,755	1,524,021,328		3,653,874.07
2000	2,753,983,340	1,567,264,984		3,182,045.88
1999	2,653,431,675	1,454,866,686		3,048,642.57
1998	2,557,489,489	1,353,111,100		2,974,727.16
1997	2,459,822,908	1,313,179,832		2,861,344.55
1996	2,452,986,349	1,254,850,661		2,817,385.56
1995	2,401,538,013	1,144,673,207		2,670,594.33
1994	2,332,815,782	1,116,313,044		2,658,021.44
1993	2,257,723,730	1,099,240,640		2,543,119.72
1992	2,217,760,945	1,033,555,645		2,290,845.96
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1991	2,139,407,946	1,182,456,873		1,300,021.75
1990	2,183,162,214	1,240,067,875		851,931.17
1989	2,116,651,473	1,245,594,737		822,047.17
1988	2,142,794,314	1,196,690,386		820,745.25
1987	2,104,257,742	1,121,125,451		786,175.81
1986	2,019,307,406	1,117,498,232		764,865.41
1985	1,981,868,062	1,082,824,856		752,417.69
1984	1,981,153,809	1,101,155,868		760,040.03
1983	1,922,753,528	1,007,016,359		717,989.29
1982	1,938,496,840	1,025,940,178		737,347.68
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1981	1,997,495,466	1,039,435,922		740,171.01
1980	2,072,274,173	1,118,561,763		790,933.94
1979	2,291,397,022	1,487,901,858		938,176.66
1978	2,314,699,947	1,329,487,197		902,224.58
1977	2,258,704,125	1,334,839,733		888,404.36
1976	2,174,449,483	1,280,652,332		853,965.96
1975	2,107,289,782	1,215,441,460		820,023.69
1974	2,073,372,736	1,251,120,307		821,476.98
1973	2,186,422,034	1,398,254,270		886,263.55
1972	2,122,278,635	1,372,508,506		863,632.98
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1971	2,031,205,691	1,282,944,934		818,339.47
1970	1,916,429,479	1,224,356,543		778,646.77
1969	1,833,541,706	1,213,372,481		756,138.91
1968	1,735,303,546	1,065,707,728		693,780.95
1967	1,644,395,826	1,050,339,144		670,610.74
1966	1,603,086,560	1,013,356,551		648,029.58
1965	1,533,427,215	998,421,530	967,459	627,862.75
1964	1,478,526,109	880,619,560	3,177,819	584,422.69
1963	1,456,147,826	841,157,921	3,701,968	570,485.78
1962	1,411,235,308	864,112,646	3,711,992	564,506.13
1961	1,389,898,045	813,913,411	4,134,537	546,219.75

**Aviation Gasoline and Aviation Special Fuel Tax  
Collected and Refunded Since 1961**

<b>Year</b>	<b>Tax Per Gallon</b>	<b>Tax Collected</b>	<b>Tax Refunded</b>
2011	5¢	4,815,338.96	1,196,471.86
2010	5¢	4,386,638.55	918,002.47
2009	5¢	4,109,219.25	457,968.85
2008	5¢	3,845,673.41	495,918.67
2007	5¢	4,491,541.45	863,610.06
2006	5¢	5,111,867.57	1,535,830.78
2005	5¢	5,779,404.89	2,054,198.25
2004	5¢	5,931,166.15	2,119,922.66
2003	5¢	5,058,132.20	1,697,706.99
2002	5¢	4,914,908.99	1,343,588.84
2001	5¢	4,505,855.67	1,042,068.03
2000	5¢	5,264,642.49	867,171.56
1999	5¢	21,378,101.97	16,796,688.94
1998	5¢	21,105,043.20	17,827,658.05
1997	5¢	21,380,885.40	18,039,354.95
1996	5¢	20,488,959.65	17,636,413.57
1995	5¢	19,264,787.50	15,982,883.68
1994	5¢	18,368,912.65	15,471,922.64
1993	5¢	18,830,686.00	15,973,236.41
1992	5¢	17,859,155.92	15,307,204.41
1991	5¢	16,878,564.40	14,537,243.47
1990	5¢	17,502,876.75	14,923,460.57
1989	5¢	16,913,012.80	14,481,144.77
1988	5¢	15,281,889.34	12,825,291.72
1987	5¢	15,563,852.35	12,905,447.26
1986	5¢	15,109,516.85	12,151,246.15
1985	5¢	15,106,873.73	12,815,586.09
1984	5¢	13,549,841.63	11,576,027.11
1983	4 months 13¢; 8 months 16¢	26,696,340.12	24,969,473.63
1982	13¢	28,226,016.25	26,467,949.96
1981	5 months 11¢; 7 months 13¢	24,168,185.02	22,003,136.26
1980	4 months 9¢; 8 months 11¢	19,747,767.91	17,687,337.87
1979	9¢	18,689,941.84	16,417,492.25
1978	9¢	15,637,182.44	13,811,762.75
1977	9¢	16,797,367.08	14,752,397.69
1976	9¢	17,163,379.73	15,229,662.60
1975	5 months 7¢; 7 months 9¢	14,137,483.57	12,358,521.20
1974	7¢	12,334,837.43	10,759,166.60
1973	7¢	12,532,515.10	11,689,539.10
1972	7¢	11,125,638.89	9,329,921.14
1971	7¢	11,288,380.04	9,666,210.12
1970	7¢	10,278,426.76	9,365,082.00
1969	7¢	11,051,519.92	9,373,738.47
1968	7¢	9,015,431.11	7,882,435.85
1967	6 months 6¢; 6 months 7¢	6,751,873.82	5,374,543.43
1966	6¢	3,896,530.56	3,066,909.43
1965	6¢	3,259,010.76	2,669,002.75
1964	6¢	2,978,020.02	2,413,207.77
1963	6 months 5¢; 6 months 6¢	2,590,585.67	2,070,776.26
1962	5¢	2,461,588.80	2,076,941.71
1961	5¢	1,978,193.15	1,455,104.71

*The method for collecting the aviation taxes changed in 1984. Prior to 1984, the rate for aviation fuels was 5 cents per gallon, but the full gasoline tax was charged, and the purchaser had to apply for a refund of the difference. Then, starting in 1984, purchasers are charged only the aviation fuel rate, and only those using more than 50,000 gallons per year have a need to apply for a refund based on the graduated refund scale. Starting in 2000, the amount shown as tax collected is the net amount after refunds were taken by major airlines as credits on their tax returns.*