

Minnesota Airports

Minnesota's publicly funded aeronautics system consists of 133 airports throughout the state, nine of which provide scheduled commercial flights. The Metropolitan Airports Commission operates the Minneapolis/St. Paul Airport along with six reliever airports in the Twin Cities metropolitan area. In Greater Minnesota, airports are typically owned by a city, although owners include city/county partnerships, airport authorities, and townships.

State Airports Fund

The state airports fund is the primary mechanism for state aeronautics finance. Revenue from specified taxes related to aviation activities is allocated to the fund by law. Money in the fund is mainly appropriated to the Minnesota Department of Transportation (MnDOT) for various aviation functions.

Revenue from Dedicated Taxes

Aviation fuel tax. An aviation fuel tax applies to fuel used in aircraft. The rate is five cents per gallon for aviation gasoline and 15 cents per gallon for jet fuel. Minn. Stat. § 296A.09. There is a refund for purchases by commercial airlines that pay the airline flight property tax (which is discussed below). [Minn. Stat. § 296A.17](#). In effect, the refund reduces the tax as more fuel is purchased; rates in the following table apply for the fuel purchased within each range for a calendar year.

Amount of Fuel (gallons)	Tax After Refund (per gallon)
1 – 50,000	5¢
50,001 – 150,000	2¢
150,001 – 200,000	1¢
200,001 and over	1/2¢

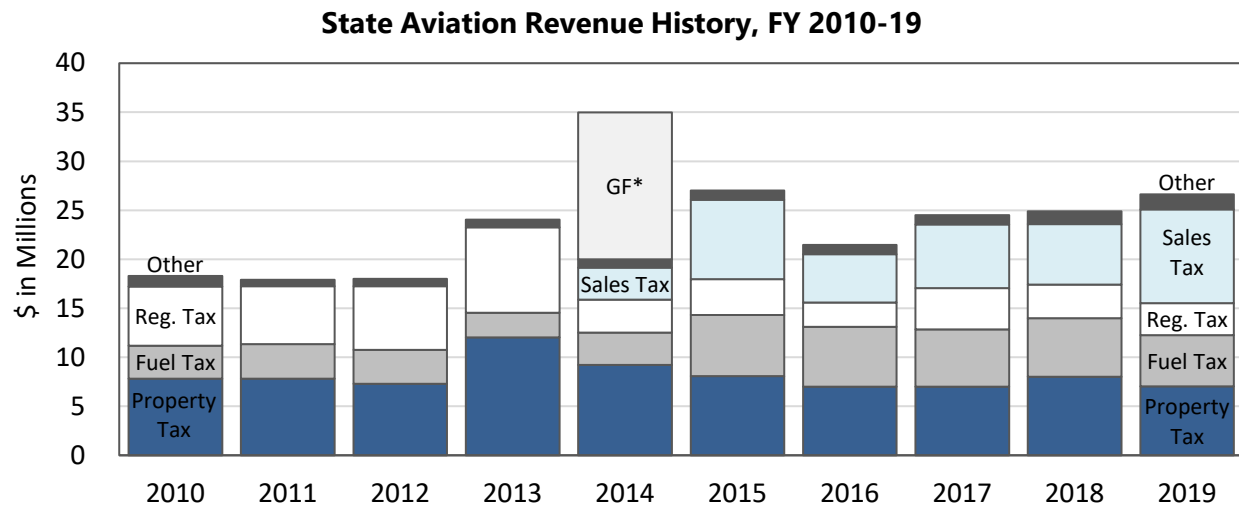
Aircraft registration tax. An annual registration tax is imposed on noncommercial aircraft based in Minnesota or used in the state for more than 60 days a year. The tax is determined following a schedule based on the aircraft manufacturer's original list price, as summarized below. (Prior to 2015, the tax depreciated with aircraft age.) [Minn. Stat. § 360.531](#).

List Price	Tax
Up to \$500,000	\$100
\$500,001 – \$1,000,000	\$200
\$1,000,001 – \$40,000,000	\$2,000 – \$50,000 (various)
\$40,000,001 and over	\$75,000

Airline flight property tax. The airline flight property tax is paid on aircraft and associated equipment owned by airlines that provide commercial air service. In computing the tax, the airlines' tax

capacity is multiplied by an adjustable tax rate. MnDOT sets the rate annually to cover the difference between appropriations from the state airports fund and available money in the fund from other sources (primarily revenue from other aeronautics-related taxes). [Minn. Stat. § 270.075](#).

Sales tax. Proceeds from the state's general sales tax collected on aircraft sales go to aviation. [Minn. Stat. § 297A.82](#), subd. 4a.



* General Fund in 2014 is a \$15 million transfer into the state airports fund (restoring a prior transfer out)

Federal Funding

In addition to state dollars Minnesota receives federal assistance, primarily through the airport improvement program (AIP). There are 97 airports that form part of the National Plan of Integrated Airport Systems (NPIAS) and are therefore eligible to receive AIP aid. MnDOT coordinates grant applications and distributes funds. Grants can be used for a variety of capital projects, but operational costs such as salaries are not typically eligible. MnDOT-administered federal aid amounted to \$67.7 million in fiscal year 2019. Other federal funds go directly to airports under various federal programs.

Aeronautics Spending

Fiscal year 2019 state aeronautics expenditures totaled \$27.1 million (excluding revolving loans and bond proceeds). Notable uses include:

- \$11.8 million for the **airport construction grant program**, which funds a share of capital improvements at airports, including facilities, equipment, and runways;
- \$4.9 million for the **airport maintenance and operation grant program**, providing formula-based grants to airports for day-to-day operations and general maintenance;
- \$2.7 million to maintain **navigation and weather systems**; and
- \$7.1 million for **MnDOT operations and agency costs**, including registering aircraft, licensing and inspecting airports and commercial aviation, administering grants, performing aviation planning, and providing fee-based air transportation service for state government.



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