



MINNESOTA
PETROLEUM TAXES
ANNUAL REPORT

MINNESOTA • REVENUE

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.

This report is available in alternate formats upon request for persons with disabilities.

2014 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 2014	Distribution
Motor vehicle gasoline and special fuel taxes	\$774 million	Dedicated to the Highway User Tax Distribution Fund
Aviation gasoline and jet fuel	\$6.40 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>)	\$27.1 million	Used to clean up spills from leaking storage tanks
Inspection fees	\$4.0 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	\$456,360	Used to improve the efficiency of heating units in low-income housing
License fees	\$13,425	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 *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 companies, and reviews refund claims. It assists clientele in setting up record keeping systems, and detects and

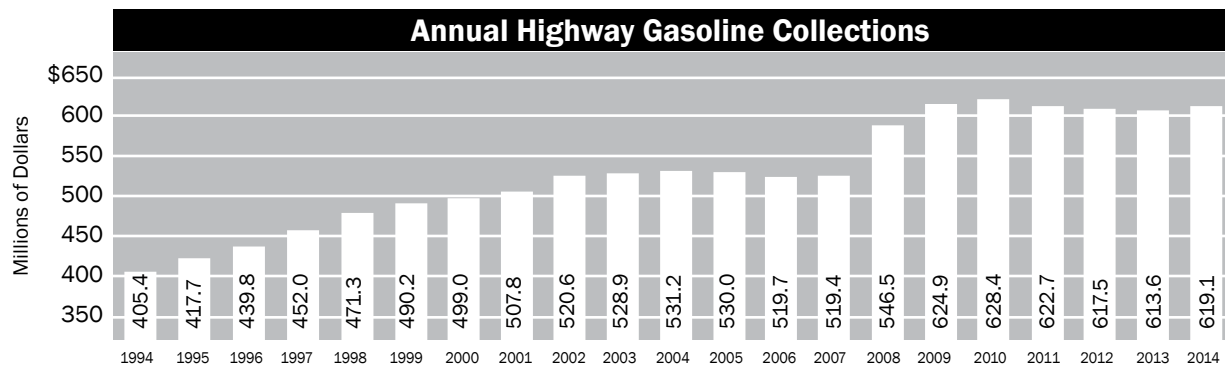
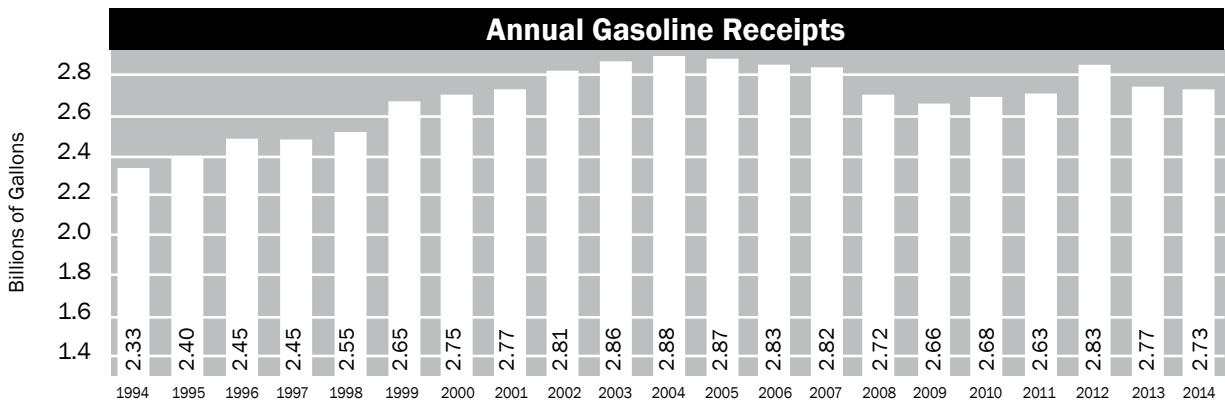
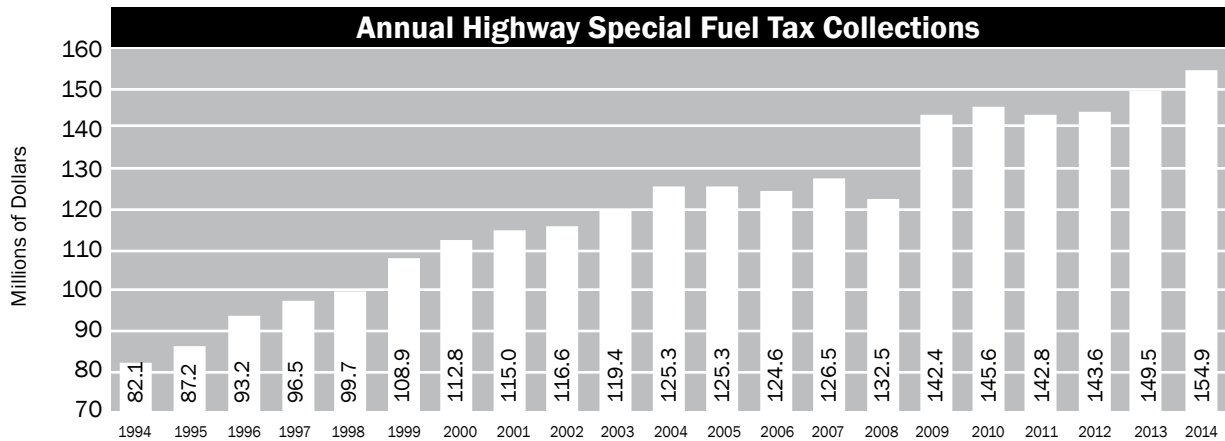
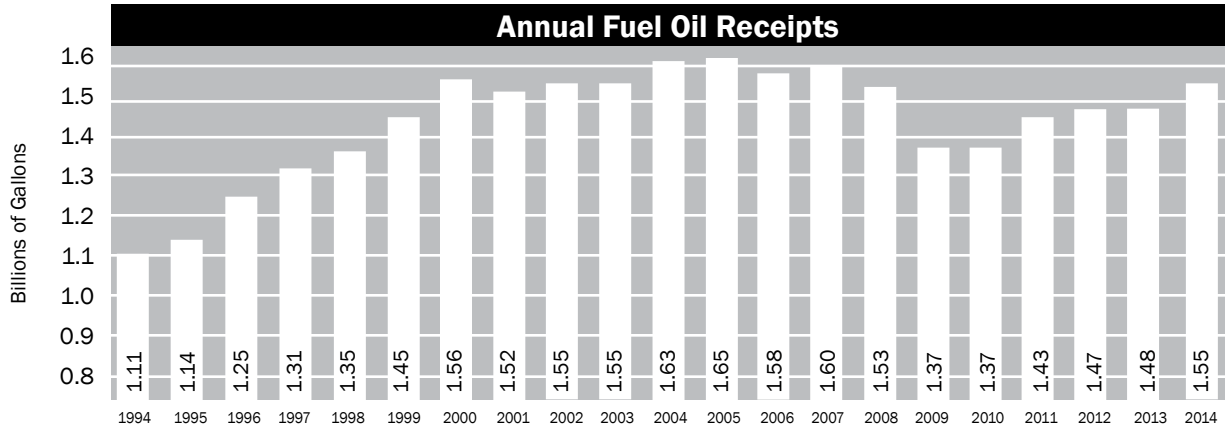
assesses taxes due from unlicensed accounts consuming or selling petroleum products on which the tax has not been paid or accrued.

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

License Summary

Distributors of petroleum products	412
Special fuel dealers and bulk purchasers	177
Total	589

Receipts and Collections, 1994–2014



Product Receipts, Collections, Refunds and Distribution

Period from Jan. 1, 2014, to Dec. 31, 2014

Fuel Oil Gallons	1,546,385,086
Less: Out-of-State Shipments	<u>105,911,505</u>
Gallons Feeable	1,440,473,581

	Gasoline Gallons	Special Fuel	Total Gallons
Gallons Received (all products)	2,729,937,754	1,026,236,833	
LPG		1,873,925	
LNG		0	
CNG		3,221,469	
E85	13,440,945		
Less Adjustments:			
Out-of-State Sales	167,988,320		
U.S. Government Sales	2,687,352		
Shrinkage	64,043,422	9,828,673	
Tax Exempt Farm Sales	17,023,642		
Miscellaneous	43,460	39,571,536	
Total Adjustments	251,786,196	49,400,209	
Gallons Taxable	2,478,151,558	976,836,624	3,454,988,182
Highway	2,475,571,522	621,842,524	3,097,414,046
Aviation	2,580,036	354,994,100	357,574,136
Gallons Taxable	2,478,151,558	976,836,624	3,454,988,182

Tax Collections	Gasoline	Special Fuel	Total Gallons
Highway	\$619,085,956.21	\$154,893,225.62	\$773,979,181.83
Aviation	<u>\$129,331.77</u>	<u>\$6,271,661.97</u>	<u>\$6,400,993.74</u>
Total Taxes	\$619,215,287.98	\$161,164,887.59	\$780,380,175.57
Other Collections			
Inspection Fees			\$3,999,185.20
License Fees			\$13,425.00
Cleanup Fund			\$27,092,620.32
Propane Fee			\$456,359.72
Surcharge			\$108,177,601.37
Organic Fuel			<u>\$1,347.34</u>
Total Collections			\$920,120,714.52

Refunds and Fund Distribution	Highway	Aviation	General
Total Collections	\$773,979,181.83	\$6,400,993.74	\$139,740,538.95
Less: Refunds	<u>\$12,331,752.69</u>	<u>\$1,273,622.07</u>	<u>\$59,628.78</u>
Net Fund Distribution	\$761,647,429.14	\$5,127,371.67	\$139,680,910.17

Gasoline and Special Fuel Taxes Collected and Refunded 1964-2014

Year	Tax Per Gallon	Tax Collected	Tax Refunded
2014	28.5¢	\$773,979,181.83	\$12,331,752.69
2013	28.5¢	763,153,153.68	12,107,797.46
2012	6 months 28.0¢; 6 months 28.5¢	761,165,058.61	17,804,179.84
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

Receipts of Petroleum Products in Minnesota 1964-2014

Year	Gasoline (Gallons)	Fuel Oil (Gallons)	Farm Tractor Fuel (Gallons)	Inspection Fees Collected
2014	2,729,937,754	1,546,385,086		\$3,999,185.20
2013	2,766,593,114	1,479,563,697		3,900,208.19
2012	2,828,900,449	1,468,004,957		3,838,753.95
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
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
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
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
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

**Aviation Gasoline and Aviation Special Fuel Tax
Collected and Refunded Since 1964**

Year	Tax Per Gallon	Tax Collected	Tax Refunded
2014	Avg. gas rate is 5 cents (for entire year)*	\$6,400,993.74	\$1,273,622.07
2013	5¢	5,363,799.95	2,004,502.22
2012	5¢	4,704,553.42	2,300,668.42
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

*Jet fuel was 5 cents for 6 months and 15 cents for 6 months

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.