



**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.

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

2012 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 2012	Distribution
Motor vehicle gasoline and special fuel taxes	\$761 million	Dedicated to the Highway User Tax Distribution Fund
Aviation gasoline and jet fuel	\$4.7 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>)	\$27.0 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	\$199,727	Used to improve the efficiency of heating units in low-income housing
License fees	\$13,075	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-

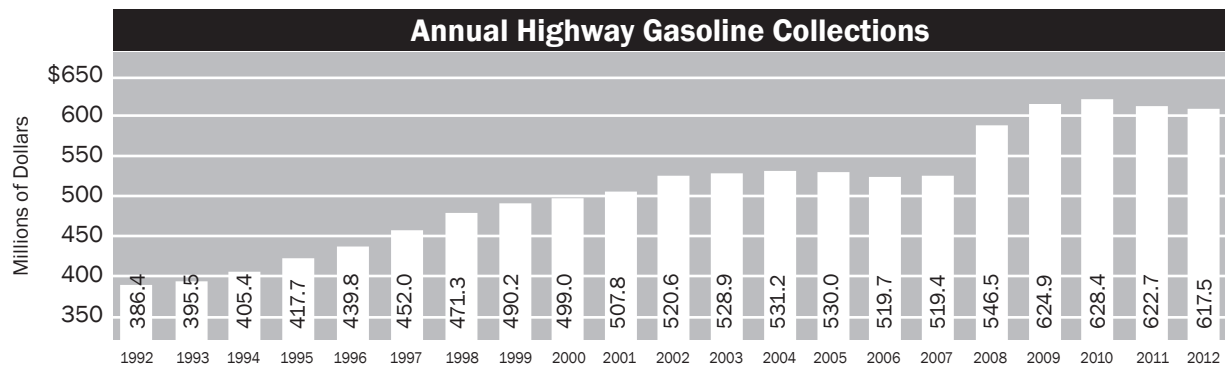
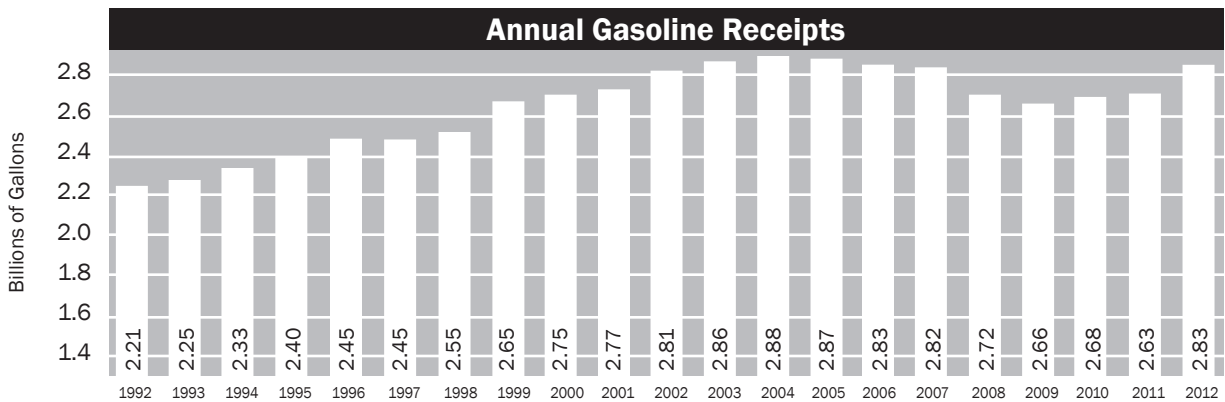
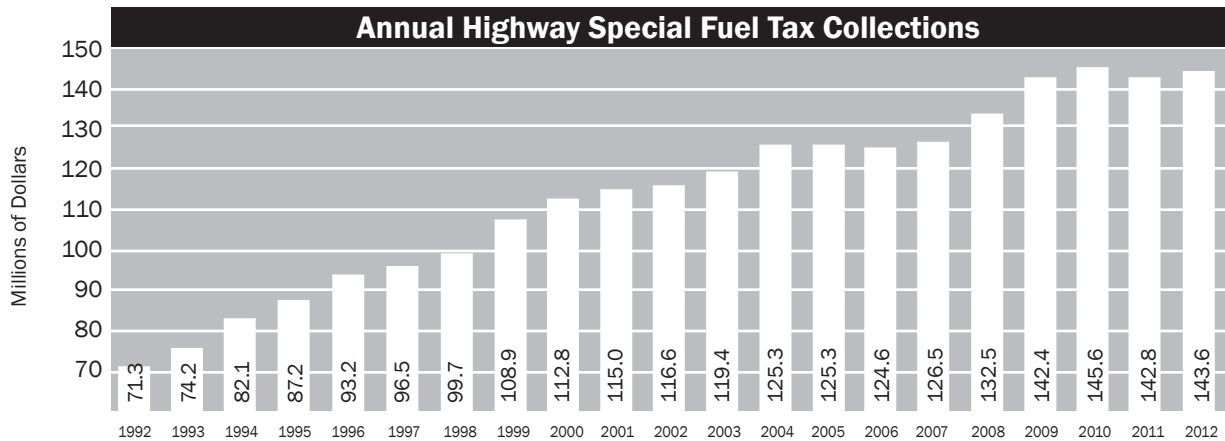
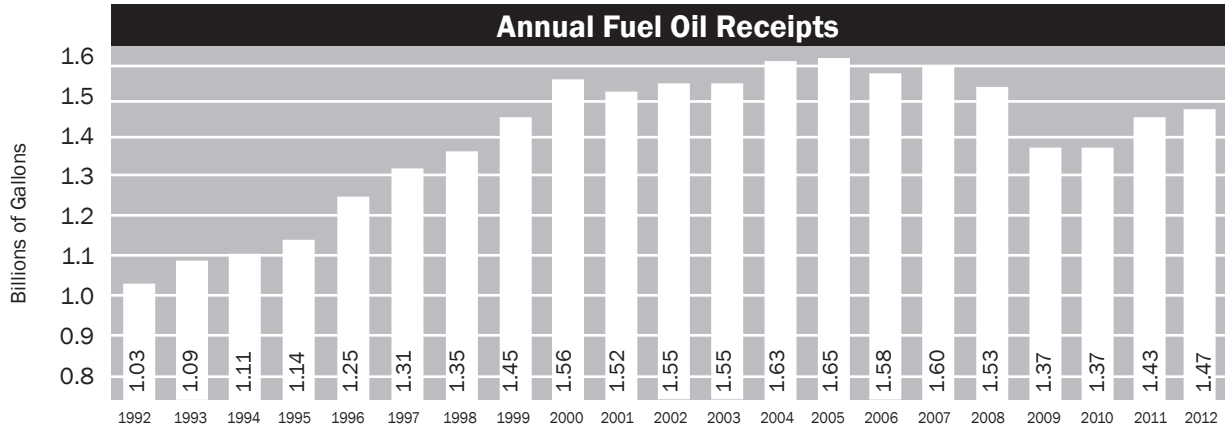
nies, and reviews refund claims. It assists clientele in setting up record keeping systems, and detects and assesses taxes due from unlicensed accounts consuming or selling petroleum products on which the tax has not been paid or accrued.

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

License Summary

Distributors of petroleum products	422
Special fuel dealers and bulk purchasers	182
Total	604

Receipts and Collections, 1992–2012



Product Receipts, Collections, Refunds and Distribution

Period from Jan. 1, 2012, to Dec. 31, 2012

Fuel Oil Gallons	1,468,004,957
Less: Out-of-State Shipments	<u>105,186,249</u>
Gallons Feeable	1,362,818,708

	Gasoline Gallons	Special Fuel	Total Gallons
Gallons Received (all products)	2,828,900,449	998,091,939	
LPG		1,426,054	
LNG		0	
CNG		178,998	
E85	12,624,931		
Less Adjustments:			
Out-of-State Sales	250,601,959		
U.S. Government Sales	2,542,029		
Shrinkage	64,453,228	9,309,949	
Tax Exempt Farm Sales	18,679,339		
Miscellaneous	10,076	65,827,920	
Total Adjustments	336,286,631	75,137,869	
Gallons Taxable	2,492,613,818	922,954,070	3,415,567,888
Highway	2,489,218,967	584,820,883	3,074,039,850
Aviation	3,394,851	338,133,187	341,528,038
Gallons Taxable	2,492,613,818	922,954,070	3,415,567,888

Tax Collections	Gasoline	Special Fuel	Total Gallons
Highway	\$617,516,217.08	\$143,648,841.53	\$761,165,058.61
Aviation	<u>\$163,323.57</u>	<u>\$4,541,229.85</u>	<u>\$4,704,553.42</u>
Total Taxes	\$617,679,540.65	\$148,190,071.38	\$765,869,612.03

Other Collections			
Inspection Fees			\$3,838,753.95
License Fees			\$13,075.00
Cleanup Fund			\$27,026,965.29
Propane Fee			\$199,727.37
Surcharge			\$96,191,052.37
Organic Fuel			<u>\$1,647.52</u>

Total Collections			\$893,140,833.53
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Refunds and Fund Distribution	Highway	Aviation	General
Total Collections	\$761,165,058.61	\$4,704,553.42	\$127,271,221.50
Less: Refunds	<u>\$17,804,179.84</u>	<u>\$2,300,668.42</u>	<u>\$10,570.86</u>
Net Fund Distribution	\$743,360,878.77	\$2,403,885.00	\$127,260,650.64

Gasoline and Special Fuel Taxes Collected and Refunded 1962-2012

Year	Tax Per Gallon	Tax Collected	Tax Refunded
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
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

Receipts of Petroleum Products in Minnesota 1962-2012

Year	Gasoline (Gallons)	Fuel Oil (Gallons)	Farm Tractor Fuel (Gallons)	Inspection Fees Collected
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
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

**Aviation Gasoline and Aviation Special Fuel Tax
Collected and Refunded Since 1962**

Year	Tax Per Gallon	Tax Collected	Tax Refunded
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
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

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.