

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 3691

(SENATE AUTHORS: NELSON)

DATE
03/03/2022

D-PG

Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; sales and use; providing an exemption for fees related to certain
1.3 sales and purchases of natural gas.

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

1.5 Section 1. SALES AND USE TAX EXEMPTION; CERTAIN NATURAL GAS FEES.

1.6 Subdivision 1. Exemption. Notwithstanding Minnesota Statutes, section 297A.67,
1.7 subdivision 15, clause (2), fees related to natural gas sold for residential use to customers
1.8 who were metered and billed as residential users and who used natural gas for their primary
1.9 source of residential heat are exempt for purposes of the billing periods May to October,
1.10 provided that:

1.11 (1) the fee for the natural gas is subject to a cost recovery plan for the price increase in
1.12 natural gas during the period February 13, 2021, to February 17, 2021, identified in docket
1.13 G-199/CI-21-135 before the Minnesota Public Utilities Commission; and

1.14 (2) the fee is separately stated and labeled as a fee pursuant to a cost recovery plan under
1.15 clause (1).

1.16 Subd. 2. Application; refund. (a) By October 1, 2022, each utility must apply to the
1.17 commissioner of revenue for a refund of sales taxes collected and remitted pursuant to
1.18 Minnesota Statutes, section 297A.77, on fees for sales and purchases of natural gas subject
1.19 to a cost recovery plan under subdivision 1, clause (1), that were added to residential
1.20 customers' bills for the period beginning September 1, 2021, and ending June 30, 2022.

1.21 (b) The provisions of Minnesota Statutes, section 289A.50, subdivision 2, except for
1.22 paragraph (c), apply to refunds issued under this subdivision. For purposes of this subdivision,

2.1 "utility" means a utility subject to the cost recovery plan under subdivision 1, clause (1).

2.2 Within days after the date the commissioner issues the refund under Minnesota Statutes,
2.3 section 289A.50, subdivision 2, paragraph (a), to the utility:

2.4 (1) the utility must provide a plan to the Minnesota Public Utilities Commission for
2.5 crediting taxes exempt under subdivision 1 to residential customers; and

2.6 (2) any amount not refunded or credited to a residential customer by a utility must be
2.7 returned to the commissioner by the utility.

2.8 **EFFECTIVE DATE.** This section is effective retroactively for fees applied to sales
2.9 and purchases of natural gas made after February 12, 2021, and before February 18, 2021,
2.10 that are billed from September 1, 2021, to December 31, 2026.