

March 19, 2025

	Yes	No
DOR Administrative Costs/Savings	X	

Department of Revenue

Analysis of S.F. 2129 (Seeberger) As Proposed to be Amended (SCS2129A-1)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2026</u></b>	<b><u>F.Y. 2027</u></b>	<b><u>F.Y. 2028</u></b>	<b><u>F.Y. 2029</u></b>
	(000's)			
Special Revenue Fund	Unknown	Unknown	Unknown	Unknown

Effective the day following final enactment.

## EXPLANATION OF THE BILL

**Current Law:** There are currently no tax provisions relating to the gross incomes generated by the manufacturing or retail sale of products containing perfluoroalkyl and polyfluoroalkyl substances or “PFAS”.

**Proposed Law:** The bill creates a tax on manufacturers equal to 50% of gross revenues derived from products containing PFAS manufactured in Minnesota and sold to a distributor. The bill also creates a tax on retailers equal to 50% of gross revenues derived from the retail sale of products containing PFAS in Minnesota.

Both manufacturers and retailers must have nexus in Minnesota in order to be subject to the tax imposed under this section:

- For a manufacturer, a person who maintains within this state, directly or by a subsidiary or an affiliate, a plant, center, office, warehouse or other place where manufacturing occurs is deemed to have minimum contacts in Minnesota and is subject to this tax.
- For a retailer, a person who is required to collect and remit the tax imposed under chapter 297A (sales and use tax) is deemed to have minimum contacts in Minnesota and is subject to this tax.

A person subject to the tax must submit a monthly informational report in the form and manner prescribed by the Commissioner of Revenue. A person owing tax must report the tax on a return prescribed by the Commissioner and must remit the tax on an annual basis in a form and manner prescribed by the Commissioner.

A person that has paid taxes to another jurisdiction on the same gross revenues may claim a credit for tax paid to the other jurisdiction.

The Commissioner must deposit all revenues derived from the tax in the general fund.

The bill also establishes a PFAS cleanup account in the special revenue fund, and a PFAS Cleanup Advisory Commission whose purpose is to develop and recommend to the State Board of Investment the proper use of funds in the account.

## REVENUE ANALYSIS DETAIL

The purpose of the PFAS cleanup account is to provide funds for environmental cleanup around the state. By July 15 of each year, an amount equal to the funds raised by this tax must be transferred from the general fund into the cleanup account. The funds in the cleanup account must be managed by the State Board of Investment and used for purposes prescribed by the Advisory Commission.

- The global PFAS market was estimated to be \$28 billion in 2022.
- The share of the market with nexus in Minnesota is unknown.
- The 50% tax would likely lead to a behavioral shift of unknown size away from manufacture and retailing of PFAS products in Minnesota.

Minnesota Department of Revenue  
Tax Research Division  
[https://www.revenue.state.mn.us/  
revenue-analyses](https://www.revenue.state.mn.us/revenue-analyses)

hf0726(sf2129) PFAS Gross Revenues Tax\_2 / sr, trc