

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 1948  
**Version:** As Introduced

**DATE:** February 10, 2012

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**Subject:** Veterans; motor vehicle sales tax exemption provided for imported vehicle of a service member

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### Overview

**Background:** Motor vehicles are usually subject to the motor vehicle sales tax under Chapter 297B when an owner registers the vehicle in their name for the first time in this state. The existing exemptions for payment of this tax on motor vehicles for personal use are:

- Vehicles transferred without monetary consideration between certain relatives; and
- Vehicles owned and registered by the same owner in another state or country for at least 60 days, prior to registration in Minnesota.

All other exemptions from the motor vehicle sales tax involve registrations by government, business, or nonprofit organizations for specific purposes.

**Proposed Change:** The bill adds an exemption, for the first \$25,000 of the value of a passenger automobile or motorcycle purchased outside the United States by a member of the U.S. Armed Forces while serving in federal active service outside the U.S.

This exemption would be limited to the purchase of one passenger auto or motorcycle during the person's lifetime, irrespective of whether the service member is a resident of this state at the time of purchase.