

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1540
Version: As introduced

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Authors: McDonald and others

Subject: Eliminating the extra tax on short term motor vehicle leases

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Overview

Currently short term motor vehicle leases are subject to a 6.2% extra sales tax and a 5.0% fee in addition to the 6.875% general sales tax. This bill eliminates the extra 6.2 % sales tax, but retains the 5.0% fee which is used to compensate the lessor for the motor vehicle registration fee.

Section

- 1** **Fee imposed.** Moves the definition of a “short term motor vehicle lease” contained in the tax repealed in section 4 to the extra motor vehicle 5.0% fee.
- 2** **Administration.** Eliminates a reference to the tax repealed in section 4.
- 3** **Exemptions.** Eliminates a reference to the tax repealed in section 4.
- 4** **Repealer.** Repeals the 6.2 % extra sales tax on short term motor vehicle rentals. Effective July 1, 2013.