

HOUSE RESEARCH

Bill Summary

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Version: As introduced

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Subject: Modifies the definition of vehicles subject to the tax and fee on short-term motor vehicle rentals

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Overview

This bill exempts nonprofit car sharing organizations from the 6.2 percent tax on short-term motor vehicle rentals. These organizations are already exempt from the 5.0 percent special car rental fee that applies in lieu of the motor vehicle registration tax. The current requirement that the rental rate may not decline for increased use is dropped from the requirements that the organization must meet to get the current fee exemption as well as the new tax exemption.

Section

- 1** **Tax imposed.** Exempts nonprofit car sharing organizations with individual or group members who pay the organization to use its vehicles from the 6.2 percent tax on short-term motor vehicle rentals provided they meet the following requirements:
 - Charge for the use of its vehicles on an hourly basis.
 - Use unstaffed, self-service locations that are available any time of day.
 - Provide vehicle maintenance, insurance, and fuel for its vehicles.This is similar to the requirements repealed in section 2 except that it does not include the requirement that the rental rate not decrease for increased use.
- 2** **Fee imposed.** Slightly expands the existing definition of nonprofit car sharing organizations qualifying for the exemption from the 5.0 percent short-term car rental fee by deleting the existing qualifying definition and linking this exemption to the qualifying requirements in the new exemption in section 1.