

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 122
Version: As introduced

DATE: February 26, 2015

Authors: Swedzinski and Newberger

Subject: Expanding the motor vehicle sales tax exemption for certain local government purchases

Analyst: Pat Dalton

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

The bill expands the existing motor vehicle sales tax exemption for town purchases of road maintenance vehicles such as snow plows and dump trucks to purchases of these vehicles by other local governments. Purchases of cars, vans, and pickup trucks remain taxable. Local governments eligible for this exemption will now include:

- statutory and home rule charter cities,
- counties,
- towns, and
- instrumentalities of the above entities, including a special district organized under a joint power agreement where the majority of the members consist of cities, towns, or counties.

The rest of the changes in the bill are organizational in nature. It takes the existing section of law listing motor vehicle sales tax exemptions, which is currently one paragraph, and breaks it into individual subdivisions to make it more readable. It also corrects some minor grammatical errors in the existing language. The new statutory organization mirrors how exemptions are listed in the general sales tax law.

Effective for sales and purchases made after June 30, 2014.