

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1478
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Subject: Excluding electricity and natural gas purchases from the metropolitan transit area tax

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The bill exempts purchases of electricity and natural gas from the metropolitan transit area sales tax. The state sales and use tax and other local sales taxes would still apply to these sales. Under current law, all local sales taxes are required to be imposed on the same tax base as the state sales tax. Effective for sales and purchases made after June 30, 2015.

The Streamlined Sales and Use Tax Agreement (SSUTA), of which Minnesota is a member, generally requires state and local sales taxes to be imposed on the same tax base, but it does allow exceptions for some selected items—including electricity, natural gas, and other fuels.