

Subject Landscaping equipment and land clearing services exemptions modified; materials consumed in agricultural production exemption modified

Authors Youakim and others

Analyst Alexandra Haigler

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Overview

This bill modifies the sales and use tax imposed on certain landscaping equipment and services by:

- removing land clearing services from the tax base; and
- removing the existing exemption for accessories and tools that are detachable and sold separately.

Additionally, this bill adds the following items to the exemption for materials consumed in agricultural production:

- materials used to construct venting panels installed on a roof, so long as the materials are not used in constructing the roof; and
- concrete used in construction of climate control and irrigation systems, so long as the systems qualify for the farm machinery exemption.

Summary

Section	Description
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1	Sale and purchase.
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Removes land clearing services from the definition of “sale and purchase,” thus removing those services from the sales tax base.

Under current law, land clearing services are taxable unless those services are provided as part of a land clearing contract to develop a site. This provision will make all land clearing services nontaxable regardless of when the services occur.

Effective for sales and purchases made after June 30, 2024.

Section	Description
2	<p>Materials used in providing certain taxable services.</p> <p>Removes the exemption provided for accessories, tools, equipment, and other items that are separate detachable units when used in landscaping, gardening, or lawn care services.</p> <p>Effective for sales and purchases made after June 30, 2024.</p>
3	<p>Materials consumed in agricultural production.</p> <p>Expands the exemption provided for materials consumed in agricultural production of items to be sold at retail to include:</p> <ul style="list-style-type: none">▪ materials used to construct venting panels installed on a roof so long as the materials are not used in constructing the roof; and▪ concrete used in construction of climate control and irrigation systems so long as the systems qualify for the farm machinery exemption. <p>Effective retroactively for sales and purchases made after June 30, 2019.</p>
4	<p>Repealer.</p> <p>Repeals the exemption for land clearing services performed as part of an initial land clearing contract. This is a corresponding change to the removal of language in section 1.</p> <p>Effective for sales and purchases made after June 30, 2024.</p>



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