

2.1 (6) public libraries, public library systems, multicounty, multitype library systems as
2.2 defined in section 134.001, county law libraries under chapter 134A, state agency libraries,
2.3 the state library under section 480.09, and the Legislative Reference Library; and

2.4 (7) municipal airports as defined under section 360.046, subdivision 1.

2.5 (b) This exemption does not apply to the sales of the following products and services:

2.6 (1) building, construction, or reconstruction materials purchased by a contractor
2.7 or a subcontractor as a part of a lump-sum contract or similar type of contract with a
2.8 guaranteed maximum price covering both labor and materials for use in the construction,
2.9 alteration, or repair of a building or facility;

2.10 (2) construction materials purchased by tax exempt entities or their contractors to
2.11 be used in constructing buildings or facilities which will not be used principally by the
2.12 tax exempt entities;

2.13 (3) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11,
2.14 except for leases entered into by the United States or its agencies or instrumentalities;

2.15 (4) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause
2.16 (2), and prepared food, candy, soft drinks, and alcoholic beverages as defined in section
2.17 297A.67, subdivision 2, except for lodging, prepared food, candy, soft drinks, and alcoholic
2.18 beverages purchased directly by the United States or its agencies or instrumentalities; or

2.19 (5) goods or services purchased by a local government as inputs to goods and
2.20 services that are generally provided by a private business and the purchases would be
2.21 taxable if made by a private business engaged in the same activity.

2.22 (c) As used in this subdivision, "school districts" means public school entities and
2.23 districts of every kind and nature organized under the laws of the state of Minnesota, and
2.24 any instrumentality of a school district, as defined in section 471.59.

2.25 (d) As used in this subdivision, "local governments" means cities, counties, and
2.26 townships.

2.27 (e) As used in this subdivision, "goods or services generally provided by a private
2.28 business" include, but are not limited to, goods or services provided by liquor stores, gas
2.29 and electric utilities, golf courses, marinas, health and fitness centers, campgrounds, cafes,
2.30 and laundromats. "Goods or services generally provided by a private business" do not
2.31 include housing services, sewer and water services, wastewater treatment, ambulance and
2.32 other public safety services, correctional services, chore or homemaking services provided
2.33 to elderly or disabled individuals, or road and street maintenance or lighting.

2.34 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
2.35 June 30, 2014.

3.1 Sec. 2. Minnesota Statutes 2012, section 297B.03, is amended to read:

3.2 **297B.03 EXEMPTIONS.**

3.3 There is specifically exempted from the provisions of this chapter and from
3.4 computation of the amount of tax imposed by it the following:

3.5 (1) purchase or use, including use under a lease purchase agreement or installment
3.6 sales contract made pursuant to section 465.71, of any motor vehicle by the United States
3.7 and its agencies and instrumentalities and by any person described in and subject to the
3.8 conditions provided in section 297A.67, subdivision 11;

3.9 (2) purchase or use of any motor vehicle by any person who was a resident of
3.10 another state or country at the time of the purchase and who subsequently becomes a
3.11 resident of Minnesota, provided the purchase occurred more than 60 days prior to the date
3.12 such person began residing in the state of Minnesota and the motor vehicle was registered
3.13 in the person's name in the other state or country;

3.14 (3) purchase or use of any motor vehicle by any person making a valid election to be
3.15 taxed under the provisions of section 297A.90;

3.16 (4) purchase or use of any motor vehicle previously registered in the state of
3.17 Minnesota when such transfer constitutes a transfer within the meaning of section 118,
3.18 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or 1563(a) of the Internal
3.19 Revenue Code;

3.20 (5) purchase or use of any vehicle owned by a resident of another state and leased
3.21 to a Minnesota-based private or for-hire carrier for regular use in the transportation of
3.22 persons or property in interstate commerce provided the vehicle is titled in the state of
3.23 the owner or secured party, and that state does not impose a sales tax or sales tax on
3.24 motor vehicles used in interstate commerce;

3.25 (6) purchase or use of a motor vehicle by a private nonprofit or public educational
3.26 institution for use as an instructional aid in automotive training programs operated by the
3.27 institution. "Automotive training programs" includes motor vehicle body and mechanical
3.28 repair courses but does not include driver education programs;

3.29 (7) purchase of a motor vehicle by an ambulance service licensed under section
3.30 144E.10 when that vehicle is equipped and specifically intended for emergency response
3.31 or for providing ambulance service;

3.32 (8) purchase of a motor vehicle by or for a public library, as defined in section
3.33 134.001, subdivision 2, as a bookmobile or library delivery vehicle;

3.34 (9) purchase of a ready-mixed concrete truck;

4.1 (10) purchase or use of a motor vehicle by a town for use exclusively for road
4.2 maintenance, including snowplows and dump trucks, but not including automobiles,
4.3 vans, or pickup trucks;

4.4 (11) purchase or use of a motor vehicle by a corporation, society, association,
4.5 foundation, or institution organized and operated exclusively for charitable, religious, or
4.6 educational purposes, except a public school, university, or library, but only if the vehicle is:

4.7 (i) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a
4.8 passenger automobile, as defined in section 168.002, if the automobile is designed and
4.9 used for carrying more than nine persons including the driver; and

4.10 (ii) intended to be used primarily to transport tangible personal property or
4.11 individuals, other than employees, to whom the organization provides service in
4.12 performing its charitable, religious, or educational purpose;

4.13 (12) purchase of a motor vehicle for use by a transit provider exclusively to provide
4.14 transit service is exempt if the transit provider is either (i) receiving financial assistance or
4.15 reimbursement under section 174.24 or 473.384, or (ii) operating under section 174.29,
4.16 473.388, or 473.405;

4.17 (13) purchase or use of a motor vehicle by a qualified business, as defined in section
4.18 469.310, located in a job opportunity building zone, if the motor vehicle is principally
4.19 garaged in the job opportunity building zone and is primarily used as part of or in direct
4.20 support of the person's operations carried on in the job opportunity building zone. The
4.21 exemption under this clause applies to sales, if the purchase was made and delivery
4.22 received during the duration of the job opportunity building zone. The exemption under
4.23 this clause also applies to any local sales and use tax;

4.24 (14) purchase of a leased vehicle by the lessee who was a participant in a
4.25 lease-to-own program from a charitable organization that is:

4.26 (i) described in section 501(c)(3) of the Internal Revenue Code; and

4.27 (ii) licensed as a motor vehicle lessor under section 168.27, subdivision 4; ~~and~~

4.28 (15) purchase of a motor vehicle used exclusively as a mobile medical unit for the
4.29 provision of medical or dental services by a federally qualified health center, as defined
4.30 under title 19 of the Social Security Act, as amended by Section 4161 of the Omnibus
4.31 Budget Reconciliation Act of 1990; and

4.32 (16) purchase or use of a motor vehicle by a municipal airport as defined under section
4.33 360.046, subdivision 1, for use exclusively for airport service, maintenance, and operations.

4.34 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
4.35 June 30, 2014.