

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 4313

(SENATE AUTHORS: SENJEM)

DATE
03/12/2020

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5463 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

- 1.1 A bill for an act
- 1.2 relating to taxation; sales and use; modifying proof of sales tax payment provisions;
- 1.3 excluding watercraft and certain vehicles from the occasional sales exemption;
- 1.4 amending Minnesota Statutes 2018, sections 84.82, subdivision 10; 84.922,
- 1.5 subdivision 11; 86B.401, subdivision 12; 297A.67, subdivision 23; 297A.99,
- 1.6 subdivision 4.
- 1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.8 Section 1. Minnesota Statutes 2018, section 84.82, subdivision 10, is amended to read:
- 1.9 Subd. 10. **Proof of sales tax payment; collection and refund.** (a) A person applying
- 1.10 for initial registration of a snowmobile, or for registration for the first time after a change
- 1.11 of ownership, must provide a receipt, invoice, or other document to prove that:
- 1.12 (1) the sales and use tax under chapter 297A was paid;
- 1.13 (2) the purchase was exempt from tax under chapter 297A; or
- 1.14 (3) the snowmobile was purchased from a retailer that is maintaining a place of business
- 1.15 in this state as defined in section 297A.66, subdivision 1, and is a dealer.
- 1.16 (b) The commissioner or authorized deputy registrars, acting as agents of the
- 1.17 commissioner of revenue under an agreement between the commissioner and the
- 1.18 commissioner of revenue, as provided in section 297A.825:
- 1.19 (1) must collect use tax from the applicant if the applicant does not provide the proof
- 1.20 required under paragraph (a); and
- 1.21 (2) are authorized to issue refunds of use tax paid to them in error.
- 1.22 (c) Subdivision 11 does not apply to refunds under this subdivision.

(d) If the applicant cannot meet the provisions in either paragraph (a) or (b), the applicant must provide a receipt, invoice, or other document from the previous owner certifying the amount paid for the snowmobile, whether in money or other consideration, and remit the applicable use tax along with the registration or transfer fee.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2019.

Sec. 2. Minnesota Statutes 2018, section 84.922, subdivision 11, is amended to read:

Subd. 11. **Proof of sales tax payment; collection and refund.** (a) A person applying for initial registration in Minnesota of an all-terrain vehicle, or transfer of a registration under subdivision 4, must provide a receipt, invoice, or other document to prove that:

(1) the sales and use tax under chapter 297A was paid;

(2) the purchase was exempt from tax under chapter 297A; or

(3) the all-terrain vehicle was purchased from a retailer that is maintaining a place of business in this state as defined in section 297A.66, subdivision 1, and is a dealer.

(b) The commissioner or authorized deputy registrars, acting as agents of the commissioner of revenue under an agreement between the commissioner and the commissioner of revenue, as provided in section 297A.825:

(1) must collect use tax from the applicant if the applicant does not provide the proof required under paragraph (a); and

(2) are authorized to issue refunds of use tax paid to them in error.

(c) Subdivision 12 does not apply to refunds under this subdivision.

(d) If the applicant cannot meet the provisions in paragraph (a), the applicant must provide a receipt, invoice, or other document from the previous owner certifying the amount paid for the snowmobile, whether in money or other consideration, and remit the applicable use tax along with the registration or transfer fee.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2019.

Sec. 3. Minnesota Statutes 2018, section 86B.401, subdivision 12, is amended to read:

Subd. 12. **Proof of sales tax payment; collection and refund.** (a) A person applying for initial licensing of a watercraft, or for a duplicate license due to change of ownership

3.1 as required in subdivision 8, must provide a receipt, invoice, or other document to prove
3.2 that:

3.3 (1) the sales and use tax under chapter 297A was paid;

3.4 (2) the purchase was exempt from tax under chapter 297A; or

3.5 (3) the watercraft was purchased from a retailer that is maintaining a place of business
3.6 in this state as defined in section 297A.66, subdivision 1, and is a dealer.

3.7 (b) The commissioner or authorized deputy registrars, acting as agents of the
3.8 commissioner of revenue under an agreement between the commissioner and the
3.9 commissioner of revenue, as provided in section 297A.825:

3.10 (1) must collect use tax from the applicant if the applicant does not provide the proof
3.11 required under paragraph (a); and

3.12 (2) are authorized to issue refunds of use tax paid to them in error.

3.13 (c) Section 86B.415, subdivision 11, does not apply to refunds under this subdivision.

3.14 (d) If the applicant cannot meet the provisions in either paragraph (a) or (b), the applicant
3.15 must provide a receipt, invoice, or other document from the previous owner certifying the
3.16 amount paid for the watercraft, whether in money or other consideration, and remit the
3.17 applicable use tax along with the license fee.

3.18 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
3.19 30, 2019.

3.20 Sec. 4. Minnesota Statutes 2018, section 297A.67, subdivision 23, is amended to read:

3.21 Subd. 23. **Occasional sales.** Isolated and occasional sales in Minnesota not made in the
3.22 normal course of business of selling that kind of property or service are exempt. The storage,
3.23 use, or consumption of property or services acquired as a result of such a sale is exempt.
3.24 This exemption does not apply to sales of tangible personal property primarily used in a
3.25 trade or business, a snowmobile or all-terrain vehicle licensed under chapter 84, or to a
3.26 watercraft licensed under chapter 86B.

3.27 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
3.28 30, 2019.

4.1 Sec. 5. Minnesota Statutes 2018, section 297A.99, subdivision 4, is amended to read:

4.2 Subd. 4. **Tax base.** (a) The tax applies to sales taxable under this chapter that occur
4.3 within the political subdivision.

4.4 (b) Taxable goods or services are subject to a political subdivision's sales tax, if they
4.5 are sourced to the political subdivision pursuant to section 297A.668.

4.6 (c) This subdivision does not apply to the sale of watercraft licensed under chapter 86B.

4.7 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
4.8 30, 2019.