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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 859

02/17/2025 Authored by Baker, Knudsen, Robbins, Schwartz and Myers
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; sales and use; establishing an exemption for food service
1.3 establishment equipment; amending Minnesota Statutes 2024, section 297A.68,
1.4 by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2024, section 297A.68, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 47. Food service establishment equipment. (a) Food service equipment purchased
1.9 or leased, and used in this state by a food service establishment in the production of prepared
1.10 food or furnishing of beverages, up to the point the prepared food or beverage is ready for
1.11 delivery or service to the customer, is exempt.

1.12 (b) For purposes of this subdivision, the following terms have the meanings given:

1.13 (1) "catering service" means a business that prepares food and beverages for service in
1.14 support of an event with a predetermined guest list such as a reception, party, luncheon,
1.15 conference, ceremony, or trade show;

1.16 (2) "food service equipment" means machinery, equipment, fixtures, and supplies used
1.17 by a food service establishment that are integral to the production of prepared food or the
1.18 furnishing of beverages and that meet the standards imposed under Minnesota Rules, chapter
1.19 4626. Food service equipment:

1.20 (i) includes cooking utensils, serving utensils, ovens, grills, coolers, microwave ovens,
1.21 freezers, refrigerators and refrigerator stations, holding cabinets, deep fryers, condiment
1.22 stations, dishwashers, steamers, coffee machines, ice machines, water heaters, sinks, faucets,

2.1 food warmers and warming trays, tabletop chaffing equipment, buffets and buffet equipment,  
2.2 self-service condiment equipment, self-service beverage equipment, beer dispensing systems,  
2.3 equipment needed for bar service, and any other item that is integral to the production of  
2.4 prepared food or the furnishing of beverages; and

2.5 (ii) excludes items used by customers such as linens, paper napkins, glasses, cups, mugs,  
2.6 utensils, tables, and chairs. Also excluded are delivery vehicles or any motor vehicles  
2.7 purchased by a food service establishment;

2.8 (3) "food service establishment" means a restaurant as defined in section 157.15,  
2.9 subdivision 12; a mobile food unit as defined in section 157.15, subdivision 9; or a catering  
2.10 service as defined in this subdivision;

2.11 (4) "furnishing of beverages" means the production of beverages, including alcoholic  
2.12 beverages, by a bartender, server, caterer, or other person employed by a food service  
2.13 establishment;

2.14 (5) "prepared food" has the meaning given in section 297A.61, subdivision 31; and

2.15 (6) "production" means an operation or series of operations where ingredients are changed  
2.16 in form, composition, or condition that results in the creation of prepared food or a beverage.

2.17 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
2.18 30, 2025.