

**SENATE  
STATE OF MINNESOTA  
NINETY-FOURTH SESSION**

**S.F. No. 5077**

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DATE	D-PG	OFFICIAL STATUS
04/13/2026	7996	Introduction and first reading Referred to Taxes
04/14/2026	8034	Author added Maye Quade
05/11/2026		Author added Boldon

1.1 A bill for an act

1.2 relating to taxation; sales and use; repealing the exemptions for preferred athletic

1.3 facility seating and amenities included with the privilege of admissions;

1.4 appropriating money for safe harbor shelter and housing grants; amending

1.5 Minnesota Statutes 2024, section 297A.61, subdivision 4; repealing Minnesota

1.6 Statutes 2024, sections 297A.67, subdivisions 35, 38; 297A.68, subdivision 46.

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

1.8 Section 1. Minnesota Statutes 2024, section 297A.61, subdivision 4, is amended to read:

1.9 Subd. 4. **Retail sale.** (a) A "retail sale" means:

1.10 (1) any sale, lease, or rental of tangible personal property for any purpose, other than

1.11 resale, sublease, or subrent of items by the purchaser in the normal course of business as

1.12 defined in subdivision 21; and

1.13 (2) any sale of a service enumerated in subdivision 3, for any purpose other than resale

1.14 by the purchaser in the normal course of business as defined in subdivision 21.

1.15 (b) A sale of property used by the owner only by leasing it to others or by holding it in

1.16 an effort to lease it, and put to no use by the owner other than resale after the lease or effort

1.17 to lease, is a sale of property for resale.

1.18 (c) A sale of master computer software that is purchased and used to make copies for

1.19 sale or lease is a sale of property for resale.

1.20 (d) A sale of building materials, supplies, and equipment to owners, contractors,

1.21 subcontractors, or builders for the erection of buildings or the alteration, repair, or

1.22 improvement of real property is a retail sale in whatever quantity sold, whether the sale is

1.23 for purposes of resale in the form of real property or otherwise.

2.1 (e) A sale of carpeting, linoleum, or similar floor covering to a person who provides for  
2.2 installation of the floor covering is a retail sale and not a sale for resale since a sale of floor  
2.3 covering which includes installation is a contract for the improvement of real property.

2.4 (f) A sale of shrubbery, plants, sod, trees, and similar items to a person who provides  
2.5 for installation of the items is a retail sale and not a sale for resale since a sale of shrubbery,  
2.6 plants, sod, trees, and similar items that includes installation is a contract for the improvement  
2.7 of real property.

2.8 (g) A sale of tangible personal property that is awarded as prizes is a retail sale and is  
2.9 not considered a sale of property for resale.

2.10 (h) A sale of tangible personal property utilized or employed in the furnishing or  
2.11 providing of services under subdivision 3, paragraph (g), clause (1), including, but not  
2.12 limited to, property given as promotional items, is a retail sale and is not considered a sale  
2.13 of property for resale.

2.14 (i) A sale of tangible personal property used in conducting lawful gambling under chapter  
2.15 349 or the State Lottery under chapter 349A, including, but not limited to, property given  
2.16 as promotional items, is a retail sale and is not considered a sale of property for resale.

2.17 (j) a sale of machines, equipment, or devices that are used to furnish, provide, or dispense  
2.18 goods or services, including, but not limited to, coin-operated devices, is a retail sale and  
2.19 is not considered a sale of property for resale.

2.20 (k) In the case of a lease, a retail sale occurs (1) when an obligation to make a lease  
2.21 payment becomes due under the terms of the agreement or the trade practices of the lessor  
2.22 or (2) in the case of a lease of a motor vehicle, as defined in section 297B.01, subdivision  
2.23 11, but excluding vehicles with a manufacturer's gross vehicle weight rating greater than  
2.24 10,000 pounds and rentals of vehicles for not more than 28 days, at the time the lease is  
2.25 executed.

2.26 (l) In the case of a conditional sales contract, a retail sale occurs upon the transfer of  
2.27 title or possession of the tangible personal property.

2.28 (m) A sale of a bundled transaction in which one or more of the products included in  
2.29 the bundle is a taxable product is a retail sale, except that if one of the products is a  
2.30 telecommunication service, ancillary service, Internet access, or audio or video programming  
2.31 service, ~~a suite license exempt under section 297A.67, subdivision 35, or a right to purchase~~  
2.32 ~~season tickets to collegiate events exempt under section 297A.67, subdivision 38,~~ and the  
2.33 seller has maintained books and records identifying through reasonable and verifiable

3.1 standards the portions of the price that are attributable to the distinct and separately  
3.2 identifiable products, then the products are not considered part of a bundled transaction.  
3.3 For purposes of this paragraph:

3.4 (1) the books and records maintained by the seller must be maintained in the regular  
3.5 course of business, and do not include books and records created and maintained by the  
3.6 seller primarily for tax purposes;

3.7 (2) books and records maintained in the regular course of business include, but are not  
3.8 limited to, financial statements, general ledgers, invoicing and billing systems and reports,  
3.9 and reports for regulatory tariffs and other regulatory matters; and

3.10 (3) books and records are maintained primarily for tax purposes when the books and  
3.11 records identify taxable and nontaxable portions of the price, but the seller maintains other  
3.12 books and records that identify different prices attributable to the distinct products included  
3.13 in the same bundled transaction.

3.14 (n) A sale of motor vehicle repair paint and materials by a motor vehicle repair or body  
3.15 shop business is a retail sale and the sales tax is imposed on the gross receipts from the retail  
3.16 sale of the paint and materials. The motor vehicle repair or body shop that purchases motor  
3.17 vehicle repair paint and motor vehicle repair materials for resale must either:

3.18 (1) separately state each item of paint and each item of materials, and the sales price of  
3.19 each, on the invoice to the purchaser; or

3.20 (2) in order to calculate the sales price of the paint and materials, use a method which  
3.21 estimates the amount and monetary value of the paint and materials used in the repair of  
3.22 the motor vehicle by multiplying the number of labor hours by a rate of consideration for  
3.23 the paint and materials used in the repair of the motor vehicle following industry standard  
3.24 practices that fairly calculate the gross receipts from the retail sale of the motor vehicle  
3.25 repair paint and motor vehicle repair materials. An industry standard practice fairly calculates  
3.26 the gross receipts if the sales price of the paint and materials used or consumed in the repair  
3.27 of a motor vehicle equals or exceeds the purchase price paid by the motor vehicle repair or  
3.28 body shop business. Under this clause, the invoice must either separately state the "paint  
3.29 and materials" as a single taxable item, or separately state "paint" as a taxable item and  
3.30 "materials" as a taxable item. This clause does not apply to wholesale transactions at an  
3.31 auto auction facility.

3.32 (o) A sale of specified digital products or other digital products to an end user with or  
3.33 without rights of permanent use and regardless of whether rights of use are conditioned  
3.34 upon payment by the purchaser is a retail sale. When a digital code has been purchased that

4.1 relates to specified digital products or other digital products, the subsequent receipt of or  
4.2 access to the related specified digital products or other digital products is not a retail sale.

4.3 (p) A payment made to a cooperative electric association or public utility as a contribution  
4.4 in aid of construction is a contract for improvement to real property and is not a retail sale.

4.5 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
4.6 30, 2026.

4.7 Sec. 2. **APPROPRIATION; SAFE HARBOR.**

4.8 \$8,800,000 in fiscal year 2027 is appropriated from the general fund to the commissioner  
4.9 of human services for safe harbor shelter and housing grants under Minnesota Statutes,  
4.10 section 256K.47. The base for this appropriation in fiscal year 2028 is \$8,900,000.

4.11 Sec. 3. **REPEALER.**

4.12 Minnesota Statutes 2024, sections 297A.67, subdivisions 35 and 38; and 297A.68,  
4.13 subdivision 46, are repealed.

4.14 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
4.15 30, 2026.

**297A.67 GENERAL EXEMPTIONS.**

Subd. 35. **Suite licenses.** The sale of the privilege of admission under section 297A.61, subdivision 3, paragraph (g), clause (1), to a place of amusement or athletic event does not include consideration paid for a license to use a private suite, private skybox, or private box seat, and the sale of the license is exempt provided that: (1) the lessee may use the private suite, private skybox, or private box seat by mutual arrangement with the lessor on days when there is no amusement or athletic event; and (2) the sales price for the privilege of admission is equal to or greater than the highest priced general admission ticket for the closest seat not in the private suite, private skybox, or private box seat.

Subd. 38. **Season ticket purchasing rights to collegiate events.** The sale of a right to purchase the privilege of admission to a college or university athletic event in a preferred viewing location for a season of a particular athletic event is exempt provided that:

(1) the consideration paid for the right to purchase is used entirely to support student scholarships, wellness, and academic costs; and

(2) the admission price is equal to or greater than the highest priced general admission ticket for the closest seat not in the preferred viewing location.

**297A.68 BUSINESS EXEMPTIONS.**

Subd. 46. **Amenities included with the privilege of admission.** (a) The sale of amenities, including but not limited to food and beverages, parking services, and promotional items, that are included in the sales price of the privilege of admission to athletic events and places of amusement under section 297A.61, subdivision 3, paragraph (m), are exempt when sold by a seller of the privilege of admission that is a professional sports team competing in Major League Baseball, Major League Soccer, the National Basketball Association, the Women's National Basketball Association, the National Football League, or the National Hockey League.

(b) Under this subdivision, the exempt portion of the sale of the privilege of admission is equal to the purchase price of the amenity if sales or use tax was paid on the amenity when purchased by the seller.

(c) The seller must retain records documenting the price and tax paid by the seller when purchasing the amenities and the price and tax collected when the seller sells the privilege of admission.

(d) This subdivision expires July 1, 2030.