

State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. **2183**

02/25/2014 Authored by Erhardt

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; exempting telecommunications and direct  
1.3 television equipment; amending Minnesota Statutes 2012, section 297A.68, by  
1.4 adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2012, section 297A.68, is amended by adding a  
1.7 subdivision to read:

1.8 Subd. 45. **Telecommunications and pay television services machinery and**  
1.9 **equipment.** (a) Telecommunications or pay television services machinery and equipment  
1.10 purchased or leased for use directly by a telecommunications or pay television service  
1.11 provider primarily in the provision of telecommunications or pay television services  
1.12 that are ultimately to be sold at retail are exempt, regardless of whether purchased by  
1.13 the owner, a contractor, or a subcontractor.

1.14 (b) For purposes of this subdivision, "telecommunications or pay television services  
1.15 machinery and equipment" includes, but is not limited to:

1.16 (1) machinery, equipment, and fixtures utilized in receiving, initiating,  
1.17 amplifying, processing, transmitting, retransmitting, recording, switching, or monitoring  
1.18 telecommunications or pay television services, such as computers, transformers, amplifiers,  
1.19 routers, bridges, repeaters, multiplexers, and other items performing comparable functions;

1.20 (2) machinery, equipment, and fixtures used in the transportation of  
1.21 telecommunications or pay television services, radio transmitters and receivers, satellite  
1.22 equipment, microwave equipment, and other transporting media, but not wire, cable,  
1.23 fiber, poles, or conduit;

2.1           (3) ancillary machinery, equipment, and fixtures that regulate, control, protect, or  
2.2           enable the machinery in clauses (1) and (2) to accomplish its intended function, such as  
2.3           auxiliary power supply, test equipment, towers, heating, ventilating, and air conditioning  
2.4           equipment necessary to the operation of the telecommunications or pay television services  
2.5           equipment, and software necessary to the operation of the telecommunications or pay  
2.6           television services equipment; and

2.7           (4) repair and replacement parts, including accessories, whether purchased as spare  
2.8           parts, repair parts, or as upgrades or modifications to qualified machinery or equipment.

2.9           **EFFECTIVE DATE.** This section is effective for sales and purchases made on or  
2.10          after the first day of the first calendar year quarter starting after the day following final  
2.11          enactment.