A bill for an act

relating to taxation; imposing sales tax on motor vehicle repair parts and supplies; amending Minnesota Statutes 2008, section 297A.68, by adding a subdivision.

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

Section 1. Minnesota Statutes 2008, section 297A.68, is amended by adding a subdivision to read:

Subd. 42. **Motor vehicle repair parts and supplies.** Notwithstanding any other law to the contrary, parts and supplies, including paint, that are purchased and used or consumed by a motor vehicle repair or body shop business in rendering repair services on motor vehicles are exempt. Motor vehicle repair paint and supplies are subject to taxation under this chapter as a retail sale, including when the amounts charged for motor vehicle repair paint and supplies are determined by a formula generally accepted in the motor vehicle repair industry.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2010.