

State of Minnesota

H. F. No. **1767**

2.1 (b) This exemption does not apply to the sales of the following products and services:

2.2 (1) building, construction, or reconstruction materials purchased by a contractor
2.3 or a subcontractor as a part of a lump-sum contract or similar type of contract with a
2.4 guaranteed maximum price covering both labor and materials for use in the construction,
2.5 alteration, or repair of a building or facility;

2.6 (2) construction materials purchased by tax exempt entities or their contractors to
2.7 be used in constructing buildings or facilities which will not be used principally by the
2.8 tax exempt entities;

2.9 (3) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11,
2.10 except for leases entered into by the United States or its agencies or instrumentalities;

2.11 (4) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause
2.12 (2), and prepared food, candy, soft drinks, and alcoholic beverages as defined in section
2.13 297A.67, subdivision 2, except for lodging, prepared food, candy, soft drinks, and alcoholic
2.14 beverages purchased directly by the United States or its agencies or instrumentalities; or

2.15 (5) goods or services purchased by a ~~town~~ local government as inputs to goods and
2.16 services that are generally provided by a private business and the purchases would be
2.17 taxable if made by a private business engaged in the same activity.

2.18 (c) As used in this subdivision, "school districts" means public school entities and
2.19 districts of every kind and nature organized under the laws of the state of Minnesota, and
2.20 any instrumentality of a school district, as defined in section 471.59.

2.21 (d) As used in this subdivision, "local governments" means cities, counties, and
2.22 townships.

2.23 ~~(d)~~ (e) As used in this subdivision, "goods or services generally provided by a private
2.24 business" include, but are not limited to, goods or services provided by liquor stores, gas
2.25 and electric utilities, golf courses, marinas, health and fitness centers, campgrounds, cafes,
2.26 and laundromats. "Goods or services generally provided by a private business" do not
2.27 include housing services, sewer and water services, wastewater treatment, ambulance and
2.28 other public safety services, correctional services, chore or homemaking services provided
2.29 to elderly or disabled individuals, or road and street maintenance or lighting.

2.30 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
2.31 June 30, 2013.