

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

**S.F. No. 1663**

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DATE  
02/25/2019

D-PG  
522 Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to taxation; sales and use; clarifying exemption on nonprofit tickets or  
1.3 admissions; amending Minnesota Statutes 2018, section 297A.70, subdivision 10.

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

1.5 Section 1. Minnesota Statutes 2018, section 297A.70, subdivision 10, is amended to read:

1.6 Subd. 10. **Nonprofit tickets or admissions.** (a) Tickets or admissions to an event are  
1.7 exempt if all the gross receipts are recorded as such, in accordance with generally accepted  
1.8 accounting principles, on the books of one or more organizations whose primary mission  
1.9 is to provide an opportunity for citizens of the state to participate in the creation, performance,  
1.10 or appreciation of the arts, and provided that each organization is:

1.11 (1) an organization described in section 501(c)(3) of the Internal Revenue Code in which  
1.12 voluntary contributions make up at least five percent of the organization's annual revenue  
1.13 in its most recently completed 12-month fiscal year, or in the current year if the organization  
1.14 has not completed a 12-month fiscal year;

1.15 (2) a municipal board that promotes cultural and arts activities; or

1.16 (3) the University of Minnesota, a state college and university, or a private nonprofit  
1.17 college or university provided that the event is held at a facility owned by the educational  
1.18 institution holding the event.

1.19 The exemption only applies if the entire proceeds, after reasonable expenses, are used solely  
1.20 to provide opportunities for citizens of the state to participate in the creation, performance,  
1.21 or appreciation of the arts.

2.1 (b) Tickets or admissions to the premises of the Minnesota Zoological Garden are exempt,  
2.2 provided that the exemption under this paragraph does not apply to tickets or admissions  
2.3 to performances or events held on the premises unless the performance or event is sponsored  
2.4 and conducted exclusively by the Minnesota Zoological Board or employees of the Minnesota  
2.5 Zoological Garden.

2.6 (c) Tickets or admissions to a performance or event on the premises of a tax-exempt  
2.7 organization under section 501(c)(3) of the Internal Revenue Code are exempt if:

2.8 (1) the nonprofit organization was established to preserve Minnesota's rural agricultural  
2.9 heritage and focuses on educating the public about rural history and how farms in Minnesota  
2.10 helped to provide food for the nation and the world;

2.11 (2) the premises of the nonprofit organization is at least 115 acres;

2.12 (3) the performance or event is sponsored and conducted exclusively by volunteers,  
2.13 employees of the nonprofit organization, or members of the board of directors of the nonprofit  
2.14 organization; and

2.15 (4) the performance or event is consistent with the nonprofit organization's purposes  
2.16 under section 501(c)(3) of the Internal Revenue Code.

2.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.