

SENATE  
STATE OF MINNESOTA  
SPECIAL SESSION

S.F. No. 20

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DATE	D-PG	OFFICIAL STATUS
09/09/2013	10	Introduction and first reading Referred to Rules and Administration

A bill for an act  
relating to taxation; sales and use; reinstating the exemption for  
telecommunications equipment; amending Minnesota Statutes 2012, section  
297A.68, by adding a subdivision.  
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

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

Subd. 35a. **Telecommunications and pay television machinery and equipment.**  
(a) Telecommunications or pay television machinery and equipment purchased or leased  
for use directly by a telecommunications or pay television service provider primarily in  
the provision of telecommunications or pay television services that are ultimately to be  
sold at retail are exempt, regardless of whether purchased by the owner, a contractor,  
or a subcontractor.

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

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

(2) machinery, equipment, and fixtures used in the transportation of  
telecommunications, or pay television services, radio transmitters and receivers, satellite  
equipment, microwave equipment, and other transporting media, but not wire, cable,  
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, cable television, or direct  
2.5 satellite equipment; and software necessary to the operation of the telecommunications  
2.6 or pay television 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 retroactively for sales and purchases  
2.10 made after June 30, 2013. Refunds for sales tax paid on items exempted under this section  
2.11 may be applied for and paid in the same manner as capital equipment refunds under  
2.12 Minnesota Statutes, section 297A.75.