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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 2004

03/02/2017 Authored by Garofalo
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; providing a reduced rate for electricity, natural
1.3 or artificial gas, propane, and water sold to restaurants; amending Minnesota
1.4 Statutes 2016, section 297A.62, subdivision 1, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2016, section 297A.62, subdivision 1, is amended to read:

1.7 Subdivision 1. **Generally.** Except as otherwise provided in subdivision 3 or 3a, or in
1.8 this chapter, a sales tax of 6.5 percent is imposed on the gross receipts from retail sales as
1.9 defined in section 297A.61, subdivision 4, made in this state or to a destination in this state
1.10 by a person who is required to have or voluntarily obtains a permit under section 297A.83,
1.11 subdivision 1.

1.12 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
1.13 30, 2017.

1.14 Sec. 2. Minnesota Statutes 2016, section 297A.62, is amended by adding a subdivision to
1.15 read:

1.16 Subd. 3a. **Restaurant utilities.** (a) For retail sales of electricity, natural or artificial gas,
1.17 propane, and water purchased and used by a restaurant located in this state, the sales tax
1.18 under subdivisions 1 and 1a is imposed on 65 percent of the sales price.

1.19 (b) For purposes of this subdivision, "restaurant" means a facility:

1.20 (1) that is operated for profit;

1.21 (2) where the usual and customary business is the serving of meals to consumers;

- 2.1 (3) that has a kitchen within the facility; and
- 2.2 (4) that receives at least 70 percent of its gross receipts from the sale of prepared food.
- 2.3 (c) For purposes of this subdivision, "prepared food" has the meaning given under section
- 2.4 297A.61, subdivision 31.
- 2.5 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
- 2.6 30, 2017.