

**SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION**

**S.F. No. 1539**

(SENATE AUTHORS: SENJEM)

DATE  
02/27/2017

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Introduction and first reading  
Referred to Transportation Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to taxation; allowing disclosure of certain return information to the  
1.3 Department of Transportation; modifying presumptions for the motor vehicle sales  
1.4 tax; amending Minnesota Statutes 2016, sections 270B.14, by adding a subdivision;  
1.5 297B.07.

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

1.7 Section 1. Minnesota Statutes 2016, section 270B.14, is amended by adding a subdivision  
1.8 to read:

1.9 Subd. 21. Department of Transportation. The commissioner may disclose return  
1.10 information related to the taxes imposed by chapter 297A to the Department of Transportation  
1.11 only:

1.12 (1) if the commissioner has an agreement with the commissioner of transportation under  
1.13 section 297A.82, subdivision 7; and

1.14 (2) to the extent necessary for the Department of Transportation to verify that the  
1.15 applicable sales or use tax has been paid or that a sales tax exemption applies on the lease,  
1.16 purchase, or sale of an aircraft by an individual or business who owns and operates the  
1.17 aircraft that must be registered or licensed in Minnesota, and to otherwise administer sections  
1.18 297A.82 and 360.018.

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

1.20 Sec. 2. Minnesota Statutes 2016, section 297B.07, is amended to read:

1.21 **297B.07 PRESUMPTIONS.**

2.1 Subdivision 1. Presumption; sale and registration. For the purpose of the proper  
2.2 administration of ~~Laws 1971, chapter 853~~ this chapter, and to prevent evasion of the tax,  
2.3 the following presumptions shall apply:

2.4 (a) Evidence that a motor vehicle was sold for delivery in this state shall be prima facie  
2.5 evidence that it was sold for use in this state.

2.6 (b) When an application for registration plates for a motor vehicle is received by the  
2.7 motor vehicle registrar within 30 days of the date it was purchased or acquired by the  
2.8 purchaser, it shall be presumed, until the contrary is shown by the purchaser, that it was  
2.9 purchased or acquired for use in this state. This presumption shall apply whether or not such  
2.10 vehicle was previously titled or registered in another state.

2.11 Subd. 2. Presumption; ownership. (a) When a business entity not organized under the  
2.12 laws of this state owns a motor vehicle that is under the control of a Minnesota resident, it  
2.13 is presumed that the Minnesota resident is the owner of the motor vehicle if two or more  
2.14 of the following are true:

2.15 (1) the business entity lacks a specific business activity or purpose other than the  
2.16 avoidance of tax;

2.17 (2) the business entity maintains no physical location in the jurisdiction where it is  
2.18 organized;

2.19 (3) the business entity earns de minimis or no revenue;

2.20 (4) the business entity maintains minimal or no business records;

2.21 (5) the business entity fails to employ individual persons and provide those persons with  
2.22 federal income tax W-2 wage and tax statements; or

2.23 (6) the business entity fails to file federal income tax returns or fails to file a required  
2.24 state tax return where it is organized.

2.25 (b) For purposes of this subdivision, a motor vehicle is under the control of a Minnesota  
2.26 resident if the Minnesota resident:

2.27 (1) is a partner, member, or shareholder of the business entity;

2.28 (2) is insured to drive the vehicle; and

2.29 (3) operates or stores the vehicle in Minnesota for any period of time.

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