

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 1830

(SENATE AUTHORS: HOFFMAN)

DATE
03/08/2021

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Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to taxation; sales and use; imposing a fee on luxury motor boats;

1.3 establishing a water preservation and restoration account; proposing coding for

1.4 new law in Minnesota Statutes, chapter 297A.

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

1.6 Section 1. **[297A.655] LUXURY MOTORBOATS; ADDITIONAL FEE.**

1.7 Subdivision 1. **Tax imposed.** The sale of luxury motorboats is subject to the tax imposed

1.8 under section 297A.62, as well as the fee imposed under subdivision 2 of this section.

1.9 Subd. 2. **Fee imposed.** (a) A fee equal to four percent of the luxury increment of any

1.10 motorboat defined under section 86B.005, subdivision 9, is imposed on the sale of luxury

1.11 motorboats in this state.

1.12 (b) For the purpose of this section, "luxury increment" is the greater of zero or the amount

1.13 calculated as follows:

1.14 (1) the purchase price of the motorboat; less

1.15 (2) 200 percent of the most recent average purchase price of all motorboats subject to

1.16 licensure under chapter 86B.

1.17 (c) For the purpose of this section, "luxury motorboat" means any motorboat, as defined

1.18 in section 86B.005, subdivision 9, that is subject to the luxury increment.

1.19 Subd. 3. **Data collection.** After July 1 but before August 31 annually, the commissioner

1.20 must revise the average purchase prices used in the calculation of the luxury increment

1.21 under subdivision 2. The commissioner must use sales data from the previous fiscal year.

2.1 Each revised average purchase price is effective for sales and purchases made on or after
2.2 October 1 in that year.

2.3 Subd. 4. **Administration.** A retailer shall report and pay the fee imposed in subdivision
2.4 2 to the commissioner with the taxes imposed in this chapter. The tax imposed in subdivision
2.5 2 is subject to the same interest, penalty, and other provisions provided for sales and use
2.6 taxes under this chapter and chapter 289A. The audit, assessment, appeal, collection,
2.7 enforcement, and administrative provisions of this chapter and chapters 270C and 289A,
2.8 that apply to sales and use taxes, apply to the fee.

2.9 Subd. 5. **Deposit of revenue.** The revenue derived from the fee imposed under
2.10 subdivision 2 must be deposited in the water preservation and restoration account in the
2.11 natural resources fund as established by subdivision 6.

2.12 Subd. 6. **Account created.** A water preservation and restoration account is hereby
2.13 established in the natural resources fund. Money deposited in this account must be used for
2.14 water preservation and restoration efforts statewide.

2.15 **EFFECTIVE DATE.** This section is effective July 1, 2021, for sales and purchases on
2.16 or after October 1, 2021.