

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 2489**

(SENATE AUTHORS: INGEBRIGTSEN, Newman and Anderson)

DATE	D-PG	OFFICIAL STATUS
03/10/2016	4949	Introduction and first reading Referred to Taxes

A bill for an act

1.1  
1.2 relating to taxes; sales and use tax and motor vehicle excise tax; exempting the  
1.3 sale or lease of specially equipped motor vehicles sold or leased to disabled  
1.4 veterans; amending Minnesota Statutes 2014, sections 297A.67, by adding a  
1.5 subdivision; 297B.03.

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

1.7 Section 1. Minnesota Statutes 2014, section 297A.67, is amended by adding a  
1.8 subdivision to read:

1.9 Subd. 34. **Leases of specially equipped motor vehicles to a disabled veteran or**  
1.10 **the disabled veteran's primary family caretaker.** Motor vehicles that would qualify for  
1.11 the motor vehicle sales tax exemption under section 297B.03, paragraph (a), clause (16), if  
1.12 purchased, are exempt from the sales tax under this chapter if leased for more than 28 days.

1.13 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
1.14 June 30, 2015.

1.15 Sec. 2. Minnesota Statutes 2014, section 297B.03, is amended to read:

1.16 **297B.03 EXEMPTIONS.**

1.17 (a) There is specifically exempted from the provisions of this chapter and from  
1.18 computation of the amount of tax imposed by it the following:

1.19 (1) purchase or use, including use under a lease purchase agreement or installment  
1.20 sales contract made pursuant to section 465.71, of any motor vehicle by the United States  
1.21 and its agencies and instrumentalities and by any person described in and subject to the  
1.22 conditions provided in section 297A.67, subdivision 11;

2.1 (2) purchase or use of any motor vehicle by any person who was a resident of  
2.2 another state or country at the time of the purchase and who subsequently becomes a  
2.3 resident of Minnesota, provided the purchase occurred more than 60 days prior to the date  
2.4 such person began residing in the state of Minnesota and the motor vehicle was registered  
2.5 in the person's name in the other state or country;

2.6 (3) purchase or use of any motor vehicle by any person making a valid election to be  
2.7 taxed under the provisions of section 297A.90;

2.8 (4) purchase or use of any motor vehicle previously registered in the state of  
2.9 Minnesota when such transfer constitutes a transfer within the meaning of section 118,  
2.10 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or 1563(a) of the Internal  
2.11 Revenue Code;

2.12 (5) purchase or use of any vehicle owned by a resident of another state and leased  
2.13 to a Minnesota-based private or for-hire carrier for regular use in the transportation of  
2.14 persons or property in interstate commerce provided the vehicle is titled in the state of  
2.15 the owner or secured party, and that state does not impose a sales tax or sales tax on  
2.16 motor vehicles used in interstate commerce;

2.17 (6) purchase or use of a motor vehicle by a private nonprofit or public educational  
2.18 institution for use as an instructional aid in automotive training programs operated by the  
2.19 institution. "Automotive training programs" includes motor vehicle body and mechanical  
2.20 repair courses but does not include driver education programs;

2.21 (7) purchase of a motor vehicle by an ambulance service licensed under section  
2.22 144E.10 when that vehicle is equipped and specifically intended for emergency response  
2.23 or for providing ambulance service;

2.24 (8) purchase of a motor vehicle by or for a public library, as defined in section  
2.25 134.001, subdivision 2, as a bookmobile or library delivery vehicle;

2.26 (9) purchase of a ready-mixed concrete truck;

2.27 (10) purchase or use of a motor vehicle by a town for use exclusively for road  
2.28 maintenance, including snowplows and dump trucks, but not including automobiles,  
2.29 vans, or pickup trucks;

2.30 (11) purchase or use of a motor vehicle by a corporation, society, association,  
2.31 foundation, or institution organized and operated exclusively for charitable, religious, or  
2.32 educational purposes, except a public school, university, or library, but only if the vehicle is:

2.33 (i) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a  
2.34 passenger automobile, as defined in section 168.002, if the automobile is designed and  
2.35 used for carrying more than nine persons including the driver; and

3.1 (ii) intended to be used primarily to transport tangible personal property or  
3.2 individuals, other than employees, to whom the organization provides service in  
3.3 performing its charitable, religious, or educational purpose;

3.4 (12) purchase of a motor vehicle for use by a transit provider exclusively to provide  
3.5 transit service is exempt if the transit provider is either (i) receiving financial assistance or  
3.6 reimbursement under section 174.24 or 473.384, or (ii) operating under section 174.29,  
3.7 473.388, or 473.405;

3.8 (13) purchase or use of a motor vehicle by a qualified business, as defined in section  
3.9 469.310, located in a job opportunity building zone, if the motor vehicle is principally  
3.10 garaged in the job opportunity building zone and is primarily used as part of or in direct  
3.11 support of the person's operations carried on in the job opportunity building zone. The  
3.12 exemption under this clause applies to sales, if the purchase was made and delivery  
3.13 received during the duration of the job opportunity building zone. The exemption under  
3.14 this clause also applies to any local sales and use tax;

3.15 (14) purchase of a leased vehicle by the lessee who was a participant in a  
3.16 lease-to-own program from a charitable organization that is:

3.17 (i) described in section 501(c)(3) of the Internal Revenue Code; and

3.18 (ii) licensed as a motor vehicle lessor under section 168.27, subdivision 4; ~~and~~

3.19 (15) purchase of a motor vehicle used exclusively as a mobile medical unit for the  
3.20 provision of medical or dental services by a federally qualified health center, as defined  
3.21 under title 19 of the Social Security Act, as amended by Section 4161 of the Omnibus  
3.22 Budget Reconciliation Act of 1990; and

3.23 (16) purchase of a motor vehicle that is specially equipped to make it disability  
3.24 accessible, if the motor vehicle is purchased by a disabled veteran or the primary family  
3.25 caregiver of a disabled veteran.

3.26 (b) For purposes of paragraph (a), clause (16), the following terms have the  
3.27 meanings given:

3.28 (1) "veteran" has the meaning given in section 197.447;

3.29 (2) "disabled veteran" means a veteran that has a service-connected disability, as  
3.30 adjudicated by the United States Veterans Administration or the retirement board of one of  
3.31 the several branches of the armed forces, that requires modifications to a motor vehicle in  
3.32 order to accommodate the veteran as either a driver or a passenger; and

3.33 (3) "primary family caregiver" means a person who is approved by the secretary  
3.34 of the United States Veterans Administration for assistance as the primary provider of  
3.35 personal care services for an eligible veteran under the Program of Comprehensive  
3.36 Assistance for Family Caregivers in United States Code, title 38, section 1720G.

- 4.1 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
- 4.2 June 30, 2015.