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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2199

02/25/2014 Authored by Hoppe, Atkins, Woodard, Cornish, Johnson, C., and others

The bill was read for the first time and referred to the Committee on Commerce and Consumer Protection Finance and Policy

03/20/2014 Adoption of Report: Amended and re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to liquor; allowing farm wineries to import bulk distilled spirits; creating
1.3 an excise tax exemption; amending Minnesota Statutes 2012, section 297G.07,
1.4 subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2012, section 297G.07, subdivision 1, is amended to read:

1.7 Subdivision 1. **Exemptions.** The following are not subject to the excise tax:

1.8 (1) Sales by a manufacturer, brewer, or wholesaler for shipment outside the state
1.9 in interstate commerce.

1.10 (2) Alcoholic beverages sold or transferred between Minnesota wholesalers.

1.11 (3) Sales to common carriers engaged in interstate transportation of passengers,
1.12 except as provided in this chapter.

1.13 (4) Malt beverages served by a brewery for on-premise consumption at no charge, or
1.14 distributed to brewery employees for on-premise consumption under a labor contract.

1.15 (5) Shipments of wine to Minnesota residents under section 340A.417.

1.16 (6) Fruit juices naturally fermented or beer naturally brewed in the home for family
1.17 use.

1.18 (7) Sales of wine for sacramental purposes under section 340A.316.

1.19 (8) Alcoholic beverages sold to authorized manufacturers of food products or
1.20 pharmaceutical firms. The alcoholic beverage must be used exclusively in the manufacture
1.21 of food products or medicines. For purposes of this clause, "manufacturer" means a
1.22 person who manufactures food products intended for sale to wholesalers or retailers for
1.23 ultimate sale to the consumer.

1.24 (9) Liqueur-filled candy.

2.1 (10) Sales to a federal agency, that the state of Minnesota is prohibited from taxing
2.2 under the Constitution or laws of the United States or under the Constitution of Minnesota.

2.3 (11) Sales to Indian tribes as defined in section 297G.08.

2.4 (12) Shipments of intoxicating liquor from foreign countries to diplomatic personnel
2.5 of foreign countries assigned to service in this state.

2.6 (13) Shipments of bulk distilled spirits or bulk wine to farm wineries licensed under
2.7 section 340A.315 for input to the final product.

2.8 **EFFECTIVE DATE.** This section is effective July 1, 2014.