

SENATE

STATE OF MINNESOTA

EIGHTY-EIGHTH SESSION

S.F. No. 1828

(SENATE AUTHORS: SCHMIT and Franzen)

DATE	D-PG	OFFICIAL STATUS
02/25/2014	5833	Introduction and first reading Referred to Taxes
02/27/2014	5900	Author added Franzen

A bill for an act
relating to taxation; sales and use; reinstating the exemption for
telecommunications equipment; amending Minnesota Statutes 2012, section
297A.68, by adding a subdivision.
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2012, section 297A.68, is amended by adding a
subdivision to read:

- Subd. 35a. **Telecommunications and pay television machinery and equipment.**
- (a) Telecommunications or pay television machinery and equipment purchased or leased for use directly by a telecommunications or pay television provider primarily in the provision of telecommunications or pay television services that are ultimately to be sold at retail are exempt, regardless of whether purchased by the owner, a contractor, or a subcontractor.
- (b) For purposes of this subdivision, "telecommunications or pay television machinery and equipment" includes, but is not limited to:
- (1) machinery, equipment, and fixtures utilized in receiving, initiating, amplifying, processing, transmitting, retransmitting, recording, switching, or monitoring telecommunications or pay television services, such as computers, transformers, amplifiers, routers, bridges, repeaters, multiplexers, and other items performing comparable functions;
- (2) machinery, equipment, and fixtures used in the transportation of telecommunications or pay television services, such as radio transmitters and receivers, satellite equipment, microwave equipment, and other transporting media, but not wire, cable, fiber, poles, or conduit;
- (3) ancillary machinery, equipment, and fixtures that regulate, control, protect, or enable the machinery in clauses (1) and (2) to accomplish its intended function, such as

2.1 auxiliary power supply, test equipment, towers, heating, ventilating, and air conditioning
2.2 equipment necessary to the operation of the telecommunications or pay television
2.3 equipment; and software necessary to the operation of the telecommunications or pay
2.4 television equipment; and

2.5 (4) repair and replacement parts, including accessories, whether purchased as spare
2.6 parts, repair parts, or as upgrades or modifications to qualified machinery or equipment.

2.7 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
2.8 made after June 30, 2013. Refunds for sales tax paid on equipment exempted under this
2.9 section may be applied for and paid in the same manner as refunds under Minnesota
2.10 Statutes, section 297A.75.