

S.F. No. 2361, as introduced - 87th Legislative Session (2011-2012) [12-5527]

2.1 (6) bullet-resistant body armor that provides the wearer with ballistic and trauma
2.2 protection, if purchased by a law enforcement agency of the state or a political subdivision
2.3 of the state, or a licensed peace officer, as defined in section 626.84, subdivision 1;

2.4 (7) motor vehicles purchased or leased by political subdivisions of the state if the
2.5 vehicles are exempt from registration under section 168.012, subdivision 1, paragraph (b),
2.6 exempt from taxation under section 473.448, or exempt from the motor vehicle sales tax
2.7 under section 297B.03, clause ~~(12)~~ (11);

2.8 (8) equipment designed to process, dewater, and recycle biosolids for wastewater
2.9 treatment facilities of political subdivisions, and materials incidental to installation of
2.10 that equipment;

2.11 (9) the removal of trees, bushes, or shrubs for the construction and maintenance
2.12 of roads, trails, or firebreaks when purchased by an agency of the state or a political
2.13 subdivision of the state;

2.14 (10) purchases by the Metropolitan Council or the Department of Transportation of
2.15 vehicles and repair parts to equip operations provided for in section 174.90, including,
2.16 but not limited to, the Northstar Corridor Rail project; and

2.17 (11) purchases of water used directly in providing public safety services by an
2.18 organized fire department, fire protection district, or fire company regularly charged with
2.19 the responsibility of providing fire protection to the state or a political subdivision.

2.20 (b) For purposes of this subdivision, "firefighters personal protective equipment"
2.21 means helmets, including face shields, chin straps, and neck liners; bunker coats and
2.22 pants, including pant suspenders; boots; gloves; head covers or hoods; wildfire jackets;
2.23 protective coveralls; goggles; self-contained breathing apparatus; canister filter masks;
2.24 personal alert safety systems; spanner belts; optical or thermal imaging search devices;
2.25 and all safety equipment required by the Occupational Safety and Health Administration.

2.26 (c) For purchases of items listed in paragraph (a), clause (11), the tax must be
2.27 imposed and collected as if the rate under section 297A.62, subdivision 1, applied and
2.28 then refunded in the manner provided in section 297A.75.

2.29 Sec. 2. Minnesota Statutes 2010, section 297B.01, subdivision 14, is amended to read:

2.30 Subd. 14. **Purchase price.** (a) "Purchase price" means the total consideration
2.31 valued in money for a sale, whether paid in money or otherwise. The purchase price
2.32 excludes the amount of a manufacturer's rebate paid or payable to the purchaser. If a motor
2.33 vehicle is taken in trade as a credit or as part payment on a motor vehicle taxable under
2.34 this chapter, the credit or trade-in value allowed by the person selling the motor vehicle
2.35 shall be deducted from the total selling price to establish the purchase price of the vehicle

3.1 being sold and the trade-in allowance allowed by the seller shall constitute the purchase
3.2 price of the motor vehicle accepted as a trade-in. The purchase price in those instances
3.3 where the motor vehicle is acquired by gift or by any other transfer for a nominal or no
3.4 monetary consideration shall also include the average value of similar motor vehicles,
3.5 established by standards and guides as determined by the motor vehicle registrar. The
3.6 purchase price in those instances where a motor vehicle is manufactured by a person who
3.7 registers it under the laws of this state shall mean the manufactured cost of such motor
3.8 vehicle and manufactured cost shall mean the amount expended for materials, labor,
3.9 and other properly allocable costs of manufacture, except that in the absence of actual
3.10 expenditures for the manufacture of a part or all of the motor vehicle, manufactured costs
3.11 shall mean the reasonable value of the completed motor vehicle.

3.12 (b) The term "purchase price" shall not include the portion of the value of a motor
3.13 vehicle due solely to modifications necessary to make the motor vehicle disability
3.14 accessible.

3.15 (c) The term "purchase price" shall not include the transfer of a motor vehicle by
3.16 way of gift between a husband and wife or parent and child, or to a nonprofit organization
3.17 as provided under subdivision 16, paragraph (c), clause ~~(5)~~ (6), nor shall it include
3.18 the transfer of a motor vehicle by a guardian to a ward when there is no monetary
3.19 consideration and the title to such vehicle was registered in the name of the guardian, as
3.20 guardian, only because the ward was a minor.

3.21 (d) The term "purchase price" shall not include the transfer of a motor vehicle as a
3.22 gift between a foster parent and foster child. For purposes of this subdivision, a foster
3.23 relationship exists, regardless of the age of the child, if (1) a foster parent's home is or was
3.24 licensed as a foster family home under Minnesota Rules, parts 9545.0010 to 9545.0260,
3.25 and (2) the county verifies that the child was a state ward or in permanent foster care.

3.26 (e) There shall not be included in "purchase price" the amount of any tax imposed by
3.27 the United States upon or with respect to retail sales whether imposed upon the retailer or
3.28 the consumer.

3.29 Sec. 3. Minnesota Statutes 2010, section 297B.01, subdivision 16, is amended to read:

3.30 Subd. 16. **Sale, sells, selling, purchase, purchased, or acquired.** (a) "Sale,"
3.31 "sells," "selling," "purchase," "purchased," or "acquired" means any transfer of title of any
3.32 motor vehicle, whether absolutely or conditionally, for a consideration in money or by
3.33 exchange or barter for any purpose other than resale in the regular course of business.

3.34 (b) Any motor vehicle utilized by the owner only by leasing such vehicle to others
3.35 or by holding it in an effort to so lease it, and which is put to no other use by the owner

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4.1 other than resale after such lease or effort to lease, shall be considered property purchased
4.2 for resale.

4.3 (c) The terms also shall include any transfer of title or ownership of a motor vehicle
4.4 by other means, for or without consideration, except that these terms shall not include:

4.5 (1) the acquisition of a motor vehicle by inheritance from or by bequest of, a
4.6 decedent who owned it;

4.7 (2) the transfer of a motor vehicle which was previously licensed in the names of
4.8 two or more joint tenants and subsequently transferred without monetary consideration to
4.9 one or more of the joint tenants;

4.10 (3) the transfer of a motor vehicle by way of ~~gift between individuals, or~~ gift
4.11 from a limited used vehicle dealer licensed under section 168.27, subdivision 4a, to an
4.12 individual, when the transfer is with no monetary or other consideration or expectation
4.13 of consideration and the parties to the transfer submit an affidavit to that effect at the
4.14 time the title transfer is recorded;

4.15 (4) the transfer of a motor vehicle by gift between spouses or between parent and
4.16 child;

4.17 (5) the voluntary or involuntary transfer of a motor vehicle between a husband and
4.18 wife in a divorce proceeding; or

4.19 ~~(5)~~ (6) the transfer of a motor vehicle by way of a gift to an organization that is
4.20 exempt from federal income taxation under section 501(c)(3) of the Internal Revenue
4.21 Code when the motor vehicle will be used exclusively for religious, charitable, or
4.22 educational purposes.

4.23 Sec. 4. Minnesota Statutes 2010, section 297B.02, subdivision 3, is amended to read:

4.24 Subd. 3. **In lieu tax for collector vehicle.** In lieu of the tax imposed in subdivision
4.25 1, there is imposed a tax of ~~\$90~~ \$150 on the purchase price of a passenger automobile or a
4.26 fire truck described in section 297B.025, subdivision 2.

4.27 Sec. 5. Minnesota Statutes 2011 Supplement, section 297B.03, is amended to read:

4.28 **297B.03 EXEMPTIONS.**

4.29 There is specifically exempted from the provisions of this chapter and from
4.30 computation of the amount of tax imposed by it the following:

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

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

5.6 ~~(3)~~ (2) purchase or use of any motor vehicle by any person making a valid election
5.7 to be taxed under the provisions of section 297A.90;

5.8 ~~(4)~~ (3) purchase or use of any motor vehicle previously registered in the state of
5.9 Minnesota when such transfer constitutes a transfer within the meaning of section 118,
5.10 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or 1563(a) of the Internal
5.11 Revenue Code;

5.12 ~~(5)~~ (4) purchase or use of any vehicle owned by a resident of another state and
5.13 leased to a Minnesota-based private or for-hire carrier for regular use in the transportation
5.14 of persons or property in interstate commerce provided the vehicle is titled in the state
5.15 of the owner or secured party, and that state does not impose a sales tax or sales tax on
5.16 motor vehicles used in interstate commerce;

5.17 ~~(6)~~ (5) purchase or use of a motor vehicle by a private nonprofit or public educational
5.18 institution for use as an instructional aid in automotive training programs operated by the
5.19 institution. "Automotive training programs" includes motor vehicle body and mechanical
5.20 repair courses but does not include driver education programs;

5.21 ~~(7)~~ (6) purchase of a motor vehicle by an ambulance service licensed under section
5.22 144E.10 when that vehicle is equipped and specifically intended for emergency response
5.23 or for providing ambulance service;

5.24 ~~(8)~~ (7) purchase of a motor vehicle by or for a public library, as defined in section
5.25 134.001, subdivision 2, as a bookmobile or library delivery vehicle;

5.26 ~~(9)~~ (8) purchase of a ready-mixed concrete truck;

5.27 ~~(10)~~ (9) purchase or use of a motor vehicle by a town for use exclusively for road
5.28 maintenance, including snowplows and dump trucks, but not including automobiles,
5.29 vans, or pickup trucks;

5.30 ~~(11)~~ (10) purchase or use of a motor vehicle by a corporation, society, association,
5.31 foundation, or institution organized and operated exclusively for charitable, religious,
5.32 or educational purposes, except a public school, university, or library, but only if the
5.33 vehicle is:

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

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

6.4 ~~(12)~~ (11) purchase of a motor vehicle for use by a transit provider exclusively to
6.5 provide transit service is exempt if the transit provider is either (i) receiving financial
6.6 assistance or reimbursement under section 174.24 or 473.384, or (ii) operating under
6.7 section 174.29, 473.388, or 473.405;

6.8 ~~(13)~~ (12) purchase or use of a motor vehicle by a qualified business, as defined
6.9 in section 469.310, located in a job opportunity building zone, if the motor vehicle is
6.10 principally garaged in the job opportunity building zone and is primarily used as part of or
6.11 in direct support of the person's operations carried on in the job opportunity building zone.
6.12 The exemption under this clause applies to sales, if the purchase was made and delivery
6.13 received during the duration of the job opportunity building zone. The exemption under
6.14 this clause also applies to any local sales and use tax; and

6.15 ~~(14)~~ (13) purchase of a leased vehicle by the lessee who was a participant in a
6.16 lease-to-own program from a charitable organization that is:

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

6.18 (ii) licensed as a motor vehicle lessor under section 168.27, subdivision 4.

6.19 Sec. 6. **EFFECTIVE DATE.**

6.20 This act is effective July 1, 2012, and applies to transfers of title that occur on
6.21 and after that date.