

8130.5700 SALES TO EXEMPT ENTITIES, THEIR EMPLOYEES, OR AGENTS.

Subpart 1. [Repealed, 34 SR 723]

Subp. 2. **Prepared food, candy, or soft drinks, or the furnishing of lodging.** The sale or purchase for a consideration of prepared food, candy, or soft drinks, or the furnishing of lodging as provided in Minnesota Statutes, section 297A.61, subdivision 3, is subject to sales tax.

No exemption from the sales and use tax is therefore allowed for prepared food, candy, or soft drinks purchased by, or lodging furnished to, governmental entities exempted under Minnesota Statutes, section 297A.70, subdivision 2; hospitals and surgical centers exempted under Minnesota Statutes, section 297A.70, subdivision 7; or nonprofit organizations exempted under Minnesota Statutes, section 297A.70, subdivision 4, their employees, or agents, even if the governmental entity, hospital, surgical center, or nonprofit organization is billed directly and pays directly for such services, except that the federal government, its agencies, and instrumentalities are exempt under the intergovernmental tax immunity doctrine where they purchase prepared food, candy, soft drinks, or lodging directly.

Subp. 3. **Governmental agency relief orders.** No tax attaches to the delivery of tangible personal property to relief clients on orders issued by a governmental relief agency, provided that the charge thereon is made directly to the governmental agency. In such cases the sale of the property is a sale to the governmental unit. The merchant making such sales need not secure an exemption certificate from the governmental agency. Sales of merchandise and other items directly to an individual who is a relief client are not to be deemed sales to a governmental agency and are subject to tax unless otherwise exempt.

Statutory Authority: *MS s 14.388; 270C.06; 297A.29*

History: *L 2005 c 151 art 1 s 114; 34 SR 723*

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