

CHAPTER 297B

MOTOR VEHICLE EXCISE TAX

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**297B.01 DEFINITIONS.** Subdivision 1. The following words, terms and phrases when used in Laws 1971, Chapter 853, shall have the meaning ascribed to them in this section except where the context clearly indicates a different meaning.

Subd. 2. "Person" includes any individual, firm, partnership, joint adventure, association, corporation, estate, business trust, receiver, or any other group or combination acting as a unit and the plural as well as the singular number.

Subd. 3. "Motor vehicle registrar" shall mean the registrar of motor vehicles who is the officer in charge of the motor vehicle division, department of public safety, of this state and who shall act as the agent of the commissioner of revenue in administering the provisions of this chapter.

Subd. 4. "Vehicle" shall include every device in, upon, or by which any person or property may be transported or drawn upon a public highway, except devices moved by human power or animal power or used exclusively upon stationary rails or tracks.

Subd. 5. "Motor vehicle" means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails, except snow-mobiles, for which registration is required by chapter 168, but not including house trailers or mobile homes.

Subd. 6. "Use" shall mean the exercise by any person of any right or power over a motor vehicle incident to the ownership or possession of such a vehicle, except that it shall not include the sale or holding for sale of such a vehicle in the regular course of business. The term shall not include motor vehicles rented or leased.

Subd. 7. "Sale, sells, selling, purchase, purchased or acquired" means any transfer of title of any motor vehicle, whether absolutely or conditionally, for a consideration in money or by exchange or barter for any purpose other than resale in the regular course of business. Any motor vehicle utilized by the owner only by leasing such vehicle to others or by holding it in an effort to so lease it, and which is put to no other use by the owner other than resale after such lease or effort to lease, shall be considered property purchased for resale. The terms also shall include any transfer of title or ownership of a motor vehicle by way of gift or by any other manner or by any other means whatsoever, for or without consideration, except that these terms shall not include:

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

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

(c) the transfer of a motor vehicle by way of gift between a husband and wife or parent and child; or

(d) the voluntary or involuntary transfer of a motor vehicle between a husband and wife in a divorce proceeding.

Subd. 8. "Purchase price" means the total consideration valued in money for a sale, whether paid in money or otherwise, provided however, that when a motor vehicle is taken in trade as a credit or as part payment on a motor vehicle taxable under

Laws 1971, Chapter 853, the credit or trade-in value allowed by the person selling the motor vehicle shall be deducted from the total selling price to establish the purchase price of the vehicle being sold and the trade-in allowance allowed by the seller shall constitute the purchase price of the motor vehicle accepted as a trade-in. The purchase price in those instances where the motor vehicle is acquired by gift or by any other transfer for a nominal or no monetary consideration shall also include the average value of similar motor vehicles, established by standards and guides as determined by the motor vehicle registrar. The purchase price in those instances where a motor vehicle is manufactured by a person who registers it under the laws of this state shall mean the manufactured cost of such motor vehicle and manufactured cost shall mean the amount expended for materials, labor and other properly allocable costs of manufacture, except that in the absence of actual expenditures for the manufacture of a part or all of the motor vehicle, manufactured costs shall mean the reasonable value of the completed motor vehicle. The term "purchase price" shall not include the transfer of a motor vehicle by way of gift between a husband and wife or parent and child, nor shall it include the transfer of a motor vehicle by a guardian to his ward when there is no monetary consideration and the title to such vehicle was registered in the name of the guardian, as guardian, only because the ward was a minor.

Subd. 9. "Purchaser" shall mean any person owning or in possession of a motor vehicle who makes application to the motor vehicle registrar for registration plates for such vehicle or for transfer of ownership of a vehicle previously registered in this state.

[ 1971 c 853 s 1; 1973 c 582 s 3; 1974 c 28 s 1; 1974 c 459 s 2; 1976 c 342 s 1 ]

**297B.02 TAX IMPOSED.** There is hereby imposed an excise tax at the rate provided in chapter 297A on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

[ 1971 c 853 s 2; Ex1971 c 31 art 1 s 9 ]

**297B.03 EXEMPTIONS.** There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) Purchase or use of any motor vehicle by any person described in and subject to the conditions provided in section 297A.25, subdivision 1, clauses (j), (p) and (s).

(2) Purchase or use of any motor vehicle by any person who was a resident of another state at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person moved his residence to the state of Minnesota.

(3) Purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.211.

(4) Purchase or use of any motor vehicle previously registered in the state of Minnesota by any corporation or partnership when such transfer constitutes a transfer within the meaning of sections 351 or 721 of the Internal Revenue Code of 1954, as amended through December 31, 1974.

[ 1971 c 853 s 3; Ex1971 c 31 art 1 s 10; Ex1971 c 31 art 5 s 2; 1975 c 262 s 1 ]

**297B.035 MOTOR VEHICLES PURCHASED FOR RESALE OR USE BY DEALER.** Subdivision 1. Except as provided in this section, motor vehicles purchased for resale in the ordinary course of business or used by any motor vehicle dealer, as defined in section 168.011, subdivision 21, which bear dealer plates as authorized by section 168.27, subdivision 16, shall be exempt from the provisions of this chapter.

Subd. 2. Motor vehicles which satisfy the definitions of subdivision 1, shall be taxed at a yearly rate of \$15 per set of dealer plates. This tax shall be paid when dealer plates are purchased and shall be deposited in the state treasury and credited to the general fund. This tax shall be in lieu of any other state sales, excise, or use tax.

[ 1976 c 342 s 2 ]

**297B.04 MOTOR VEHICLE PURCHASER'S CERTIFICATE FURNISHED TO MOTOR VEHICLE REGISTRAR.** All persons who apply for registration of any motor vehicle shall complete a motor vehicle purchaser's certificate in such form and man-

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ner as may be prescribed by the motor vehicle registrar, showing a complete description of the motor vehicle, the seller's name and address, the buyer's name and address, the full purchase price of the vehicle, trade-in allowance if any, whether the vehicle was the subject of a gift, and any other information that the motor vehicle registrar may require.

[ 1971 c 853 s 4 ]

**297B.05 PRESENTATION OF MOTOR VEHICLE PURCHASER'S CERTIFICATE TO MOTOR VEHICLE REGISTRAR.** No registration plates or certificate shall be issued by the motor vehicle registrar for a motor vehicle unless and until the applicant therefor shall attach a properly executed motor vehicle purchaser's certificate to the application for license registration. If an application for registration or transfer is made for a motor vehicle that has been previously registered in this state and the applicant is the same person in whose name the registration had previously been issued, the motor vehicle purchaser's certificate need not be submitted to the motor vehicle registrar.

[ 1971 c 853 s 5 ]

**297B.06 REGISTRATION NOT TO BE ISSUED UNLESS TAX PAID.** No registration plates or certificate shall be issued by the motor vehicle registrar for the ownership or operation of any motor vehicle to any applicant for registration other than for those vehicles which have been previously registered and the applicant for registration is the same person in whose name the registration had previously been issued or other than for those vehicles exempt from the tax under other sections of Laws 1971, Chapter 853, unless the tax imposed by section 297B.02 shall be paid by the applicant to the motor vehicle registrar.

[ 1971 c 853 s 6 ]

**297B.07 PRESUMPTION.** For the purpose of the proper administration of Laws 1971, Chapter 853 and to prevent evasion of the tax, the following presumptions shall apply:

(1) Evidence that a motor vehicle was sold for delivery in this state shall be prima facie evidence that it was sold for use in this state.

(2) When an application for registration plates for a motor vehicle is received by the motor vehicle registrar within 30 days of the date it was purchased or acquired by the purchaser, it shall be presumed, until the contrary is shown by the purchaser, that it was purchased or acquired for use in this state. This presumption shall apply whether or not such vehicle was previously titled or registered in another state.

[ 1971 c 853 s 7 ]

**297B.08 CREDIT FOR EXCISE TAX PAID IN OTHER STATES; RECIPROCITY.** If any motor vehicle has been or is subject to a tax by any other state in respect to its sale or use, in an amount less than the tax imposed by Laws 1971, Chapter 853, the provisions of Laws 1971, Chapter 853, shall apply, but at a rate measured by the difference only between the rate fixed in Laws 1971, Chapter 853, and the rate by which the previous tax paid in the other state upon the sale or use was computed. If the rate of tax imposed in such other state is the same or more than the rate of tax imposed by Laws 1971, Chapter 853, then no tax shall be due on such motor vehicle. The provisions of this section shall apply only if such other state allows a credit with respect to the excise tax imposed by Laws 1971, Chapter 853, which is substantially similar in effect to the credit allowed by this section.

[ 1971 c 853 s 8 ]

**297B.09 ALLOCATION OF REVENUE.** All moneys collected and received under Laws 1971, Chapter 853, shall be allocated monthly by the motor vehicle registrar to the state commissioner of revenue and by him shall be paid to the state treasurer and shall be deposited as provided in section 297A.44.

[ 1971 c 853 s 9; 1973 c 582 s 3; 1976 c 2 s 112 ]

**297B.10 PENALTIES.** (1) Any person who shall complete or submit a false or fraudulent motor vehicle purchaser's certificate with intent to defeat or evade the tax imposed under Laws 1971, Chapter 853, shall be guilty of a misdemeanor and for each such offense shall be fined not to exceed \$500 or shall be imprisoned in the county jail not to exceed one year, or shall be subject to both such fine and imprisonment, in the

discretion of the court.

(2) Any person who shall violate any of the provisions of Laws 1971, Chapter 853 shall, unless the violation be of the type referred to in clause (1), be guilty of a misdemeanor and shall be punished by a fine of not less than \$50 nor more than \$100 or by imprisonment in the county jail for not less than 30 days, or both such fine and imprisonment.

[ 1971 c 853 s 10 ]

**297B.11 MOTOR VEHICLE REGISTRAR TO ACT AS AGENT OF COMMISSIONER OF REVENUE IN ADMINISTRATION OF MOTOR VEHICLE EXCISE TAX.**

The state commissioner of revenue is charged with the administration of Laws 1971, Chapter 853. The commissioner may prescribe all rules and regulations not inconsistent with the provisions of Laws 1971, Chapter 853, necessary and advisable for the proper and efficient administration of Laws 1971, Chapter 853. The collection of this motor vehicle excise tax shall be carried out by the motor vehicle registrar who shall act as the agent of the commissioner and who shall be subject to all rules and regulations not inconsistent with the provisions of Laws 1971, Chapter 853, that may be prescribed by the commissioner. The provisions of Laws 1971, Chapter 853, shall not be construed as preventing the collection of motor vehicle excise taxes by the commissioner of revenue in the course of any audit carried on by the commissioner of revenue.

[ 1971 c 853 s 11; 1973 c 582 s 3 ]

**297B.12 CONFIDENTIAL NATURE OF INFORMATION.** It shall be unlawful for the motor vehicle registrar, deputy registrars or any other public official or employee to divulge or otherwise make known in any manner any particulars disclosed in any purchaser's certificate or any information concerning affairs of any person making such certificate acquired from his records, officers or employees except in connection with the proceeding involving taxes due under Laws 1971, Chapter 853. Nothing herein contained should be construed to prohibit the publishing of statistics so classified as not to disclose the identity of particular purchasers' certificates and the contents thereof. Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

[ 1971 c 853 s 12 ]

**297B.13 EXEMPTION FROM EXCISE TAX OF CHAPTER 297A.** As defined in Laws 1971, Chapter 853, the sale or use of motor vehicles shall be exempt from the excise tax imposed by chapter 297A; however, the leasing or other use of motor vehicles not subject to tax under the provisions of the motor vehicle excise tax laws shall be subject to the provisions of said chapter.

[ 1971 c 853 s 15 ]