

CHAPTER 297B

MOTOR VEHICLE EXCISE TAX

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297B.01 DEFINITIONS.

[For text of subs 1 to 4, see M.S.1988]

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 for which registration is required by chapter 168. Motor vehicle includes vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails and motor vehicles that are purchased on Indian reservations where the tribal council has entered into a motor vehicle excise tax refund agreement with the state of Minnesota. Motor vehicle does not include snowmobiles, travel trailers, or manufactured homes. For purposes of taxation only under this section, "motor vehicle" includes a park trailer as defined in section 168.011, subdivision 8, paragraph (b).

[For text of subs 6 to 9, see M.S.1988]

History: 1989 c 277 art 1 s 20; 1989 c 342 s 22

297B.02 TAX IMPOSED.

Subdivision 1. **Rate.** There is 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.

The excise tax is also imposed on the purchase price of motor vehicles purchased or acquired on Indian reservations when the tribal council has entered into a motor vehicle excise tax refund agreement with the state of Minnesota.

[For text of subs 2 and 3, see M.S.1988]

History: 1989 c 277 art 1 s 21

297B.025 OLDER PASSENGER AUTOMOBILES.

[For text of subd 1, see M.S.1988]

Subd. 2. **Collector vehicles.** A passenger automobile that is registered under section 168.10, subdivision 1a, 1b, 1c, 1d, or 1h, shall be taxed under section 297B.02, subdivision 3, and the registrar shall not designate as an above-market automobile a passenger automobile registered under those subdivisions. If the vehicle is subsequently registered in another class not under section 168.10, subdivision 1a, 1b, 1c, 1d, or 1h, within one year of the date of registration under those subdivisions, it shall be subject to the full excise tax imposed under subdivision 1.

History: 1989 c 277 art 1 s 22

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, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by the United

States and its agencies and instrumentalities and by any person described in and subject to the conditions provided in section 297A.25, subdivision 18.

(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 began residing in 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 section 351 or 721 of the Internal Revenue Code of 1986, as amended through December 31, 1988.

(5) Purchase or use of any vehicle owned by a resident of another state and leased to a Minnesota based private or for hire carrier for regular use in the transportation of persons or property in interstate commerce provided the vehicle is titled in the state of the owner or secured party, and that state does not impose a sales or motor vehicle excise tax on motor vehicles used in interstate commerce.

(6) Purchase or use of a motor vehicle by a private nonprofit or public educational institution for use as an instructional aid in automotive training programs operated by the institution.

History: 1989 c 277 art 1 s 23

297B.09 ALLOCATION OF REVENUE.

Subdivision 1. **General fund share.** (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. The amounts collected and received shall be credited as provided in this subdivision, and transferred from the general fund on July 15 and January 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.

(b) Thirty percent of the money collected and received under this chapter after June 30, 1988, and before July 1, 1991, must be transferred to the highway user tax distribution fund and the transit assistance fund for apportionment as follows: 75 percent must be transferred to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be transferred to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.

(c) Five percent of the money collected and received under this chapter after June 30, 1989, and before July 1, 1991, must be transferred as follows: 75 percent must be transferred to the trunk highway fund and 25 percent must be transferred to the transit assistance fund.

(d) Thirty-five percent of the money collected and received under this chapter after June 30, 1991, must be transferred as follows: 75 percent must be transferred to the trunk highway fund and 25 percent must be transferred to the transit assistance fund.

(e) The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09,

subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period.

History: 1989 c 268 s 6