

CHAPTER 297B

SALES TAX ON MOTOR VEHICLES

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297B.01 DEFINITIONS.

[For text of subds 1 to 4, see M.S.1994]

Subd. 5. Motor vehicle. "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 sales tax on motor vehicles refund agreement with the state of Minnesota. Motor vehicle does not include snowmobiles or manufactured homes.

[For text of subds 6 and 7, see M.S.1994]

Subd. 8. Purchase price. "Purchase price" means the total consideration valued in money for a sale, whether paid in money or otherwise. The purchase price excludes the amount of a manufacturer's rebate paid or payable to the purchaser. If a motor vehicle is taken in trade as a credit or as part payment on a motor vehicle taxable under this chapter, 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 portion of the value of a motor vehicle due solely to modifications necessary to make the motor vehicle handicapped accessible. 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 a 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. There shall not be included in "purchase price" the amount of any tax imposed by the United States upon or with respect to retail sales whether imposed upon the retailer or the consumer.

[For text of subd 9, see M.S.1994]

History: 1995 c 1 s 5; 1995 c 264 art 2 s 34

NOTE: The amendment to subdivision 5 by Laws 1995, chapter 264, article 2, section 34, is effective for sales made after December 31, 1996. See Laws 1995, chapter 264, article 2, section 44.

297B.02 TAX IMPOSED.

[For text of subds 1 and 2, see M.S.1994]

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

History: 1995 c 264 art 2 s 35

297B.025 OLDER PASSENGER AUTOMOBILES.

[For text of subd 1, see M.S.1994]

Subd. 2. Collector vehicles. A passenger automobile that is registered under section 168.10, subdivision 1a, 1b, 1c, 1d, or 1h, or a fire truck registered under section 168.10, subdivision 1c, shall be taxed under section 297B.02, subdivision 3, and the registrar shall not designate as an above-market automobile a passenger automobile or a fire truck 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: 1995 c 264 art 2 s 36

297B.032 REFUND ON PARK TRAILERS; APPROPRIATION.

Notwithstanding the provisions of section 297B.02, or any other law to the contrary, a portion of the sales tax on motor vehicles paid on park trailers, as defined in section 168.011, subdivision 8, paragraph (b), under this chapter shall be refunded by the commissioner of revenue provided the following conditions are met:

- (1) the park trailer is purchased after January 1, 1993, and before January 1, 1997;
- (2) the owner paid the sales tax on motor vehicles on the park trailer;
- (3) property taxes have been imposed upon the park trailer for at least the last two taxes payable years; and
- (4) property taxes on the park trailer for the years cited in clause (3) have been paid by the owner of the park trailer.

Upon application by the purchaser, on forms prescribed by the commissioner of revenue, a refund equal to 35 percent of the actual taxes paid, shall be paid to the purchaser. The application must include sufficient information, including a copy of the sales invoice for the park trailer, and the property tax statements for the years cited in clause (3), or a reproduction thereof, with a notation from the county treasurer that the taxes have been paid on the park trailer.

The amounts required to make the refunds are annually appropriated to the commissioner of revenue from the general fund. The amount to be refunded shall bear interest at the rate in section 270.76 after 60 days after the refund claim was made until the date the refund is paid.

History: 1995 c 264 art 2 s 37

297B.0351 MANUFACTURER'S TESTING VEHICLES.

Except as provided in section 168.25, a vehicle purchased by a first-stage motor vehicle manufacturer and licensed under that section is exempt from the provisions of this chapter.

History: 1995 c 74 s 3