297F.06 EXEMPTIONS FROM TAX.

Subdivision 1. **Federal laws.** The tax imposed by this chapter does not apply with respect to any sale of cigarettes or tobacco products which under the Constitution and laws of the United States may not be subject to taxation by the state.

Subd. 2. **Use tax.** The use tax does not apply if the tax imposed on cigarettes or tobacco products has been paid.

Subd. 3. **Cigarette use tax.** The cigarette use tax does not apply to the use or storage of cigarettes in quantities of 200 or fewer in the possession of any one consumer, provided that the cigarettes were carried into this state by that consumer.

Subd. 4. **Tobacco products use tax.** The tobacco products use tax does not apply to the possession, use, or storage of tobacco products if (1) the tobacco products have an aggregate cost in any calendar month to the consumer of $50 or less, and (2) the tobacco products were carried into this state by that consumer.

Subd. 5. **Ocean-going vessels.** The commissioner may adopt rules for the sale by licensed distributors of tax-free cigarettes to the masters of ocean-going vessels for use aboard ship outside the continental limits of the United States, provided the cigarettes are also exempt from the taxes imposed on cigarettes by the United States government.

History: *1997 c 106 art 1 s 6; 2003 c 127 art 7 s 6; 2008 c 154 art 14 s 8; 2018 c 182 art 1 s 87*