

A bill for an act

relating to sales tax; providing that the sale of amusement devices is a sale for resale; amending Minnesota Statutes 2006, section 297A.61, subdivision 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2006, section 297A.61, subdivision 4, is amended to read:

Subd. 4. **Retail sale.** (a) A "retail sale" means any sale, lease, or rental for any purpose, other than resale, sublease, or subrent of items by the purchaser in the normal course of business as defined in subdivision 21.

(b) A sale of property used by the owner only by leasing it to others or by holding it in an effort to lease it, and put to no use by the owner other than resale after the lease or effort to lease, is a sale of property for resale.

(c) A sale of master computer software that is purchased and used to make copies for sale or lease is a sale of property for resale.

(d) A sale of building materials, supplies, and equipment to owners, contractors, subcontractors, or builders for the erection of buildings or the alteration, repair, or improvement of real property is a retail sale in whatever quantity sold, whether the sale is for purposes of resale in the form of real property or otherwise.

(e) A sale of carpeting, linoleum, or similar floor covering to a person who provides for installation of the floor covering is a retail sale and not a sale for resale since a sale of floor covering which includes installation is a contract for the improvement of real property.

(f) A sale of shrubbery, plants, sod, trees, and similar items to a person who provides for installation of the items is a retail sale and not a sale for resale since a sale of

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2.1 shrubbery, plants, sod, trees, and similar items that includes installation is a contract for
2.2 the improvement of real property.

2.3 (g) A sale of tangible personal property that is awarded as prizes is a retail sale and
2.4 is not considered a sale of property for resale.

2.5 (h) A sale of tangible personal property utilized or employed in the furnishing or
2.6 providing of services under subdivision 3, paragraph (g), clause (1), including, but not
2.7 limited to, property given as promotional items, is a retail sale and is not considered a
2.8 sale of property for resale.

2.9 (i) A sale of tangible personal property used in conducting lawful gambling under
2.10 chapter 349 or the State Lottery under chapter 349A, including, but not limited to,
2.11 property given as promotional items, is a retail sale and is not considered a sale of
2.12 property for resale.

2.13 (j) A sale of machines, equipment, or devices other than amusement devices, that
2.14 are used to furnish, provide, or dispense goods or services, including, but not limited to,
2.15 coin-operated devices, is a retail sale and is not considered a sale of property for resale.

2.16 (k) In the case of a lease, a retail sale occurs (1) when an obligation to make a lease
2.17 payment becomes due under the terms of the agreement or the trade practices of the
2.18 lessor or (2) in the case of a lease of a motor vehicle, as defined in section 297B.01,
2.19 subdivision 5, but excluding vehicles with a manufacturer's gross vehicle weight rating
2.20 greater than 10,000 pounds and rentals of vehicles for not more than 28 days, at the time
2.21 the lease is executed.

2.22 (l) In the case of a conditional sales contract, a retail sale occurs upon the transfer of
2.23 title or possession of the tangible personal property.

2.24 **Sec. 2. EFFECTIVE DATE.**

2.25 Section 1 is effective for sales and purchases after June 30, 2007.