

This Document can be made available in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1080

03/04/2013 Authored by Davnie and Hornstein
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; sales and use; adding an exemption for vehicles leased by
1.3 nonprofit corporations; amending Minnesota Statutes 2012, section 297A.64,
1.4 subdivisions 1, 2.

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

1.6 Section 1. Minnesota Statutes 2012, section 297A.64, subdivision 1, is amended to read:

1.7 Subdivision 1. **Tax imposed.** (a) A tax is imposed on the lease or rental in this
1.8 state for not more than 28 days of a passenger automobile as defined in section 168.002,
1.9 subdivision 24, a van as defined in section 168.002, subdivision 40, or a pickup truck as
1.10 defined in section 168.002, subdivision 26. The rate of tax is 6.2 percent of the sales price.
1.11 The tax applies whether or not the vehicle is licensed in the state.

1.12 (b) The provisions of this subdivision do not apply to the vehicles of a nonprofit
1.13 corporation or similar entity, consisting of members who pay the organization for the
1.14 use of a motor vehicle, if the organization:

1.15 (1) owns or leases a fleet of vehicles of the type subject to the tax under paragraph (a)
1.16 that are available to its members for use, priced on the basis of intervals of one hour or less;

1.17 (2) parks its vehicles at unstaffed, self-service locations that are accessible to its
1.18 members at any time; and

1.19 (3) maintains its vehicles, insures its vehicles on behalf of its members, and
1.20 purchases fuel for its fleet.

1.21 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
1.22 June 30, 2013.

1.23 Sec. 2. Minnesota Statutes 2012, section 297A.64, subdivision 2, is amended to read:

2.1 Subd. 2. **Fee imposed.** (a) A fee equal to five percent of the sales price is imposed
2.2 on leases or rentals of vehicles subject to the tax under subdivision 1, paragraph (a). The
2.3 lessor on the invoice to the customer may designate the fee as "a fee imposed by the State
2.4 of Minnesota for the registration of rental cars."

2.5 (b) The provisions of this subdivision do not apply to the vehicles ~~of a nonprofit~~
2.6 ~~corporation or similar entity, consisting of individual or group members who pay the~~
2.7 ~~organization for the use of a motor vehicle, if the organization:~~

2.8 (1) ~~owns or leases a fleet of vehicles of the type subject to the tax under subdivision 1~~
2.9 ~~that are available to its members for use, priced on the basis of intervals of one hour or less;~~

2.10 (2) ~~parks its vehicles at unstaffed, self-service locations that are accessible at any~~
2.11 ~~time of the day;~~

2.12 (3) ~~maintains its vehicles, insures its vehicles on behalf of its members, and~~
2.13 ~~purchases fuel for its fleet; and~~

2.14 (4) ~~does not charge usage rates that decline on a per unit basis, whether specified~~
2.15 ~~based on distance or time~~ exempt from the tax imposed under subdivision 1, paragraph (b).

2.16 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
2.17 June 30, 2013.