

2.1 (2) the leasing of or the granting of a license to use or consume, for a consideration
2.2 in money or by exchange or barter, tangible personal property, other than a manufactured
2.3 home used for residential purposes for a continuous period of 30 days or more.

2.4 (c) Sale and purchase include the production, fabrication, printing, or processing of
2.5 tangible personal property for a consideration for consumers who furnish either directly or
2.6 indirectly the materials used in the production, fabrication, printing, or processing.

2.7 (d) Sale and purchase include the preparing for a consideration of food.
2.8 Notwithstanding section 297A.67, subdivision 2, taxable food includes, but is not limited
2.9 to, the following:

2.10 (1) prepared food sold by the retailer;

2.11 (2) soft drinks;

2.12 (3) candy;

2.13 (4) dietary supplements; and

2.14 (5) all food sold through vending machines.

2.15 (e) A sale and a purchase includes the furnishing for a consideration of electricity,
2.16 gas, water, or steam for use or consumption within this state.

2.17 (f) A sale and a purchase includes
2.18 the transfer for a consideration of prewritten computer software whether delivered
2.19 electronically, by load and leave, or otherwise.

2.20 (g) A sale and a purchase includes the furnishing for a consideration of the following
2.21 services:

2.22 (1) the privilege of admission to places of amusement, recreational areas, or athletic
2.23 events, and the making available of amusement devices, tanning facilities, reducing
2.24 salons, steam baths, Turkish baths, health clubs, and spas or athletic facilities;

2.25 (2) lodging and related services by a hotel, rooming house, resort, campground,
2.26 motel, or trailer camp, including furnishing the guest of the facility with access to
2.27 telecommunication services, and the granting of any similar license to use real property in
2.28 a specific facility, other than the renting or leasing of it for a continuous period of 30 days
2.29 or more under an enforceable written agreement that may not be terminated without prior
2.30 notice and including accommodations intermediary services provided in connection with
2.31 other services provided under this clause;

2.32 (3) nonresidential parking services, whether on a contractual, hourly, or other
2.33 periodic basis, except for parking at a meter;

2.34 (4) the granting of membership in a club, association, or other organization if:

3.1 (i) the club, association, or other organization makes available for the use of its
 3.2 members sports and athletic facilities, without regard to whether a separate charge is
 3.3 assessed for use of the facilities; and

3.4 (ii) use of the sports and athletic facility is not made available to the general public
 3.5 on the same basis as it is made available to members.

3.6 Granting of membership means both onetime initiation fees and periodic membership
 3.7 dues. Sports and athletic facilities include golf courses; tennis, racquetball, handball, and
 3.8 squash courts; basketball and volleyball facilities; running tracks; exercise equipment;
 3.9 swimming pools; and other similar athletic or sports facilities;

3.10 (5) delivery of aggregate materials by a third party, excluding delivery of aggregate
 3.11 material used in road construction; and delivery of concrete block by a third party if the
 3.12 delivery would be subject to the sales tax if provided by the seller of the concrete block.

3.13 For purposes of this clause, "road construction" means construction of:

3.14 (i) public roads;

3.15 (ii) cartways; and

3.16 (iii) private roads in townships located outside of the seven-county metropolitan area
 3.17 up to the point of the emergency response location sign; and

3.18 (6) services as provided in this clause:

3.19 (i) laundry and dry cleaning services including cleaning, pressing, repairing, altering,
 3.20 and storing clothes, linen services and supply, cleaning and blocking hats, and carpet,
 3.21 drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not
 3.22 include services provided by coin operated facilities operated by the customer;

3.23 (ii) motor vehicle washing, waxing, and cleaning services, including services
 3.24 provided by coin operated facilities operated by the customer, and rustproofing,
 3.25 undercoating, and towing of motor vehicles;

3.26 (iii) building and residential cleaning, maintenance, and disinfecting services and
 3.27 pest control and exterminating services;

3.28 (iv) detective, security, burglar, fire alarm, and armored car services; but not
 3.29 including services performed within the jurisdiction they serve by off-duty licensed peace
 3.30 officers as defined in section 626.84, subdivision 1, or services provided by a nonprofit
 3.31 organization or any organization at the direction of a county for monitoring and electronic
 3.32 surveillance of persons placed on in-home detention pursuant to court order or under the
 3.33 direction of the Minnesota Department of Corrections;

3.34 (v) pet grooming services;

3.35 (vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting
 3.36 and maintenance; tree, bush, and shrub pruning, bracing, spraying, and surgery; indoor

4.1 plant care; tree, bush, shrub, and stump removal, except when performed as part of a land
4.2 clearing contract as defined in section 297A.68, subdivision 40; and tree trimming for
4.3 public utility lines. Services performed under a construction contract for the installation of
4.4 shrubbery, plants, sod, trees, bushes, and similar items are not taxable;

4.5 (vii) massages, except when provided by a licensed health care facility or
4.6 professional or upon written referral from a licensed health care facility or professional for
4.7 treatment of illness, injury, or disease; and

4.8 (viii) the furnishing of lodging, board, and care services for animals in kennels and
4.9 other similar arrangements, but excluding veterinary and horse boarding services.

4.10 (h) A sale and a purchase includes the furnishing for a consideration of tangible
4.11 personal property or taxable services by the United States or any of its agencies or
4.12 instrumentalities, or the state of Minnesota, its agencies, instrumentalities, or political
4.13 subdivisions.

4.14 (i) A sale and a purchase includes the furnishing for a consideration of
4.15 telecommunications services, ancillary services associated with telecommunication
4.16 services, and pay television services. Telecommunication services include, but are
4.17 not limited to, the following services, as defined in section 297A.669: air-to-ground
4.18 radiotelephone service, mobile telecommunication service, postpaid calling service,
4.19 prepaid calling service, prepaid wireless calling service, and private communication
4.20 services. The services in this paragraph are taxed to the extent allowed under federal law.

4.21 (j) A sale and a purchase includes the furnishing for a consideration of installation if
4.22 the installation charges would be subject to the sales tax if the installation were provided
4.23 by the seller of the item being installed.

4.24 (k) A sale and a purchase includes the rental of a vehicle by a motor vehicle dealer
4.25 to a customer when (1) the vehicle is rented by the customer for a consideration, or (2)
4.26 the motor vehicle dealer is reimbursed pursuant to a service contract as defined in section
4.27 59B.02, subdivision 11.

4.28 (l) A sale and a purchase includes furnishing for a consideration of specified digital
4.29 products or other digital products or granting the right for a consideration to use specified
4.30 digital products or other digital products on a temporary or permanent basis and regardless
4.31 of whether the purchaser is required to make continued payments for such right. Wherever
4.32 the term "tangible personal property" is used in this chapter, other than in subdivisions 10
4.33 and 38, the provisions also apply to specified digital products, or other digital products,
4.34 unless specifically provided otherwise or the context indicates otherwise.

4.35 (m) A sale and purchase includes the furnishing for consideration of the following
4.36 services:

5.1 (1) repairing and maintaining electronic and precision equipment, which service can
5.2 be deducted as a business expense under the Internal Revenue Code. This includes, but
5.3 is not limited to, repair or maintenance of electronic devices, computers and computer
5.4 peripherals, monitors, computer terminals, storage devices, and CD-ROM drives; other
5.5 office equipment such as photocopying machines, printers, and facsimile machines;
5.6 televisions, stereos, sound systems, video or digital recorders and players; two-way radios
5.7 and other communications equipment; radar and sonar equipment, scientific instruments,
5.8 microscopes, and medical equipment; and

5.9 (2) repairing and maintaining commercial and industrial machinery and equipment.
5.10 For purposes of this subdivision, the following items are not commercial or industrial
5.11 machinery and equipment: (i) motor vehicles; (ii) furniture and fixtures; (iii) ships; (iv)
5.12 railroad stock; and (v) aircraft; and

5.13 ~~(3) warehousing or storage services for tangible personal property, excluding:~~
5.14 ~~(i) agricultural products;~~
5.15 ~~(ii) refrigerated storage;~~
5.16 ~~(iii) electronic data; and~~
5.17 ~~(iv) self-storage services and storage of motor vehicles, recreational vehicles, and~~
5.18 ~~boats, not eligible to be deducted as a business expense under the Internal Revenue Code.~~

5.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.