

S.F. No. 83, as introduced - 87th Legislative Session (2011-2012) [11-0978]

2.1 Subd. 3. **Limitations.** The credit allowed in this section is reduced by \$10 for every
2.2 \$1,000 of income in excess of 200 percent of the federal poverty guidelines.

2.3 Subd. 4. **Appropriation.** An amount sufficient to pay the refunds required by this
2.4 section is appropriated to the commissioner from the general fund.

2.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
2.6 December 31, 2011.

2.7 Sec. 3. Minnesota Statutes 2010, section 297A.62, subdivision 1, is amended to read:

2.8 Subdivision 1. **Generally.** Except as otherwise provided in subdivision 3 or in this
2.9 chapter, a sales tax of ~~6.5~~ ... percent is imposed on the gross receipts from retail sales as
2.10 defined in section 297A.61, subdivision 4, made in this state or to a destination in this
2.11 state by a person who is required to have or voluntarily obtains a permit under section
2.12 297A.83, subdivision 1.

2.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
2.14 December 31, 2011.

2.15 Sec. 4. **REPEALER.**

2.16 Minnesota Statutes 2010, sections 297A.61, subdivision 46; and 297A.67,
2.17 subdivision 8, are repealed.

2.18 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
2.19 December 31, 2011.

297A.61 DEFINITIONS.

Subd. 46. **Fur clothing.** "Fur clothing" means human wearing apparel that is required by the Federal Fur Products Labeling Act, United States Code, title 15, section 69, to be labeled as a fur product, and the value of the fur components in the product is more than three times the value of the next most valuable tangible component. For purposes of this subdivision, "fur" means any animal skin or part of an animal skin with hair, fleece, or fur fibers attached to it, either in its raw or processed state, but does not include animal skins that have been converted into leather or suede, or from which the hair, fleece, or fur fiber has been completely removed in processing the skins.

297A.67 GENERAL EXEMPTIONS.

Subd. 8. **Clothing.** (a) Clothing is exempt. For purposes of this subdivision, "clothing" means all human wearing apparel suitable for general use.

(b) Clothing includes, but is not limited to, aprons, household and shop; athletic supporters; baby receiving blankets; bathing suits and caps; beach capes and coats; belts and suspenders; boots; coats and jackets; costumes; children and adult diapers, including disposable; ear muffs; footlets; formal wear; garters and garter belts; girdles; gloves and mittens for general use; hats and caps; hosiery; insoles for shoes; lab coats; neckties; overshoes; pantyhose; rainwear; rubber pants; sandals; scarves; shoes and shoe laces; slippers; sneakers; socks and stockings; steel-toed boots; underwear; uniforms, athletic and nonathletic; and wedding apparel.

(c) Clothing does not include the following:

- (1) belt buckles sold separately;
- (2) costume masks sold separately;
- (3) patches and emblems sold separately;
- (4) sewing equipment and supplies, including but not limited to, knitting needles, patterns, pins, scissors, sewing machines, sewing needles, tape measures, and thimbles;
- (5) sewing materials that become part of clothing, including but not limited to, buttons, fabric, lace, thread, yarn, and zippers;
- (6) clothing accessories or equipment;
- (7) sports or recreational equipment; and
- (8) protective equipment.

Clothing also does not include "fur clothing" as defined in section 297A.61, subdivision 46.

For purposes of this subdivision, "clothing accessories or equipment" means incidental items worn on the person or in conjunction with clothing. Clothing accessories and equipment include, but are not limited to, briefcases; cosmetics; hair notions, including barrettes, hair bows, and hairnets; handbags; handkerchiefs; jewelry; nonprescription sunglasses; umbrellas; wallets; watches; and wigs and hairpieces. "Sports or recreational equipment" means items designed for human use and worn in conjunction with an athletic or recreational activity that are not suitable for general use. Sports and recreational equipment includes, but is not limited to, ballet and tap shoes; cleated or spiked athletic shoes; gloves, including, but not limited to, baseball, bowling, boxing, hockey, and golf gloves; goggles; hand and elbow guards; life preservers and vests; mouth guards; roller and ice skates; shin guards; shoulder pads; ski boots; waders; and wetsuits and fins. "Protective equipment" means items for human wear and designed as protection of the wearer against injury or disease or as protection against damage or injury of other persons or property but not suitable for general use. Protective equipment includes, but is not limited to, breathing masks; clean room apparel and equipment; ear and hearing protectors; face shields; finger guards; hard hats; helmets; paint or dust respirators; protective gloves; safety glasses and goggles; safety belts; tool belts; and welders gloves and masks.