

CHAPTER 297B

MOTOR VEHICLE EXCISE TAX

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297B.01 DEFINITIONS.

[For text of subs 1 to 7, see M.S.1982]

Subd. 8. "Purchase price" means the total consideration valued in money for a sale, whether paid in money or otherwise, provided however, that when a motor vehicle is taken in trade as a credit or as part payment on a motor vehicle taxable under Laws 1971, chapter 853, the credit or trade-in value allowed by the person selling the motor vehicle shall be deducted from the total selling price to establish the purchase price of the vehicle being sold and the trade-in allowance allowed by the seller shall constitute the purchase price of the motor vehicle accepted as a trade-in. The purchase price in those instances where the motor vehicle is acquired by gift or by any other transfer for a nominal or no monetary consideration shall also include the average value of similar motor vehicles, established by standards and guides as determined by the motor vehicle registrar. The purchase price in those instances where a motor vehicle is manufactured by a person who registers it under the laws of this state shall mean the manufactured cost of such motor vehicle and manufactured cost shall mean the amount expended for materials, labor and other properly allocable costs of manufacture, except that in the absence of actual expenditures for the manufacture of a part or all of the motor vehicle, manufactured costs shall mean the reasonable value of the completed motor vehicle. The term "purchase price" shall not include the transfer of a motor vehicle by way of gift between a husband and wife or parent and child, nor shall it include the transfer of a motor vehicle by a guardian to his ward when there is no monetary consideration and the title to such vehicle was registered in the name of the guardian, as guardian, only because the ward was a minor. There shall not be included in "purchase price" the amount of any tax imposed by the United States upon or with respect to retail sales whether imposed upon the retailer or the consumer.

[For text of subd 9, see M.S.1982]

History: 1983 c 342 art 6 s 9

297B.02 TAX IMPOSED.

There is imposed an excise tax at the rate provided in chapter 297A on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

History: 3Sp1982 c 1 art 6 s 5; 1983 c 342 art 6 s 10

297B.03 EXEMPTIONS.

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) Purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by any person described in and subject to the conditions provided in section 297A.25, subdivision 1, clauses (j), (p) and (r).

(2) Purchase or use of any motor vehicle by any person who was a resident of another state at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person moved his residence to the state of Minnesota.

(3) Purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.211.

(4) Purchase or use of any motor vehicle previously registered in the state of Minnesota by any corporation or partnership when such transfer constitutes a transfer within the meaning of sections 351 or 721 of the Internal Revenue Code of 1954, as amended through December 31, 1974.

History: 1983 c 327 s 15

297B.031 REFUND OF TAX; MANDATORY REFUND OR REPLACEMENT LAWS.

If a manufacturer of motor vehicles is required by section 325F.665, subdivision 3, to refund the tax imposed by this chapter, a portion of the tax paid by the purchaser shall be refunded to the manufacturer. The amount of the refund shall be the tax paid by the purchaser less an amount equal to the tax paid multiplied by a fraction, the denominator of which is the purchase price of the vehicle and the numerator of which is the allowance deducted from the refund for the consumer's use of the vehicle. The refund shall be paid to the manufacturer only upon filing of a written application, in a form and providing information as prescribed by the commissioner. Payment of a refund pursuant to this section shall be made out of the general and highway user funds in the same proportion provided for deposit of tax proceeds for the fiscal year pursuant to section 297B.09, subdivision 1. The amounts necessary to pay the refunds are appropriated out of the respective funds.

History: 1983 c 342 art 6 s 11

297B.09 ALLOCATION OF REVENUE.

Subdivision 1. **General fund share.** Money collected and received under this chapter must be deposited in the state treasury and credited as follows:

(a) All of the proceeds collected before July 1, 1985, must be credited to the general fund.

(b) Three-fourths of the proceeds collected after June 30, 1985, and before July 1, 1987, must be credited to the general fund.

(c) One-half of the proceeds collected after June 30, 1987, and before July 1, 1989, must be credited to the general fund.

(d) One-fourth of the proceeds collected after June 30, 1989, and before July 1, 1991, must be credited to the general fund.

(e) After June 30, 1991, none of the proceeds collected may be credited to the general fund.

Subd. 2. **Highway user tax distribution fund and transit assistance fund share.** The proceeds collected under this chapter and not credited to the general fund must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment in the following manner:

(a) None of the proceeds collected before July 1, 1985, may be credited to either fund.

(b) 18.75 percent of the proceeds collected after June 30, 1985, and before July 1, 1987, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 6.25 percent of the proceeds must be credited to the transit assistance fund account to be appropriated to the commissioner of transportation for transit assistance within the state.

(c) 37.5 percent of the proceeds collected after June 30, 1987, and before July 1, 1989, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 12.5 percent of the proceeds must be credited to the transit assistance fund account to be appropriated to the commissioner of transportation for transit assistance within the state.

(d) 56.25 percent of the proceeds collected after June 30, 1989, and before July 1, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 18.75 percent of the proceeds must be credited to the transit assistance fund account to be appropriated to the commissioner of transportation for transit assistance within the state.

(e) 75 percent of the proceeds collected after June 30, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 25 percent of the proceeds must be credited to the transit assistance fund account to be appropriated to the commissioner of transportation for transit assistance within the state.

History: 1983 c 17 s 11

297B.10 PENALTIES.

(1) Any person, including persons other than the purchaser, who prepares, completes or submits a false or fraudulent motor vehicle purchaser's certificate with intent to defeat or evade the tax imposed under Laws 1971, chapter 853, is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event he is guilty of a felony. The term "person" as used in this section includes any officer or employee of a corporation or a member or employee of a partnership who as an officer, member or employee is under a duty to perform the act with respect to which the violation occurs. Notwithstanding the provisions of section 628.26 or any other provision of the criminal laws of this state, an indictment may be found and filed, upon any criminal offense specified in this section, in the proper court within six years after the commission of the offense.

(2) Any person who violates any of the provisions of Laws 1971, chapter 853, unless the violation be of the type referred to in clause (1), is guilty of a misdemeanor and shall be punished by a fine of not less than \$50 nor more than \$100 or by imprisonment in the county jail for not less than 30 days, or both.

History: 1983 c 294 s 11