

State of Minnesota  
HOUSE OF REPRESENTATIVES  
NINETY-FOURTH SESSION  
H. F. No. 199

01/23/2025 Authored by Olson  
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; providing exemptions for nonprofit animal  
1.3 shelters; amending Minnesota Statutes 2024, section 297A.70, by adding a  
1.4 subdivision.

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

1.6 Section 1. Minnesota Statutes 2024, section 297A.70, is amended by adding a subdivision  
1.7 to read:

1.8 Subd. 22. **Animal shelters.** (a) For purposes of this subdivision, the term "animal shelter"  
1.9 means a nonprofit organization engaged in the business of rescuing, sheltering, and finding  
1.10 homes for unwanted animals.

1.11 (b) Purchases made by an animal shelter are exempt if the purchases are used directly  
1.12 in the activities of rescuing, sheltering, and finding homes for unwanted animals. The  
1.13 exemption under this paragraph does not apply to the following purchases:

1.14 (1) building, construction, or reconstruction materials purchased by a contractor or a  
1.15 subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed  
1.16 maximum price covering both labor and materials for use in the construction, alteration, or  
1.17 repair of a building or facility;

1.18 (2) construction materials purchased by an animal shelter or their contractors to be used  
1.19 in constructing buildings or facilities that will not be used principally by the tax-exempt  
1.20 entities;

2.1        (3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2),  
2.2        and prepared food, candy, soft drinks, and alcoholic beverages as defined in section 297A.67,  
2.3        subdivision 2; and

2.4        (4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11.

2.5        (c) The sale or adoption of unwanted animals by an animal shelter and the sale of  
2.6        associated animal supplies and equipment by an animal shelter are exempt.

2.7        (d) Sales made by and events run by an animal shelter for fundraising purposes are  
2.8        exempt. Exempt sales include the sale of prepared food, candy, and soft drinks at a  
2.9        fundraising event. The exemption under this paragraph is subject to the following limits:

2.10        (1) gross receipts from all fundraising sales are taxable if the total fundraising by the  
2.11        animal shelter exceeds 24 days per year;

2.12        (2) it does not apply to fundraising events conducted on premises leased for more than  
2.13        five days but less than 30 days; and

2.14        (3) it does not apply to admission charges for events involving bingo or other gambling  
2.15        activities or to charges for use of amusement devices involving bingo or other gambling  
2.16        activities.

2.17        **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
2.18        30, 2025.