

# A Brief Legislative History of Sales Tax in Minnesota

Compiled by the Minnesota Legislative Reference Library

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Note: The focus of this memo is exceptions for clothing, medicine, etc. to Minnesota's sales tax. This history is **not** a complete history. Please also see the 1967 Zona notebooks and the virtual file (T8.90) for more news clippings.

## Summary:

[1967 Extra Session Chapter32 / HF 27](#) – the 1967 Extra session law was passed after a [veto override](#). Legislation passed in the 1967 regular session as well, but was vetoed and the [override was not successful](#).

## Context:

Minnesota was the 44<sup>th</sup> state to have a sales tax.

In 1949 [Florida implemented a 3% general sales tax](#) with exemptions for items like groceries and medicine. I'm not sure if it was the first to have an exemption. If this is something you need to learn, we can start looking.

Mississippi was the first to have a sales tax, [passed in 1932](#). It looks like Maryland, Iowa, Pennsylvania, and Connecticut (and many other states) had sales tax before Minnesota. Some did exempt some or all clothing. (The Minneapolis Star, November 23, 1960).

Clippings from the Star Tribune show that conversations about implementing a general sales tax in Minnesota had been going on for a decade, at least. An article in [Session Weekly](#) reports that the 1935 Legislature passed a measure creating a state sales tax, but Gov. Floyd Olson vetoed the bill. Another [Session Weekly story](#) discusses the 1935 tax bill in more detail.

Just for your interest: Here's a [political cartoon from 1965](#) that illustrates that this had a long history before it passed.

## News clippings and reports

In chronological order

Poll: [Boost Present Taxes Rather than adopt sales tax, 51% say](#), Star Tribune, 2/1/1959

Poll: [Sales tax coming? Not soon, think 47 pct.](#), Star Tribune, 3/13/1960.

Tax committee chair's stance: [Wright's right](#), Star Tribune, 5/5/1961

Committee news coverage: [Sales tax attacked at house hearing](#), Star Tribune, 4/26/1963

Summary of a bill: [Revisions made in sales tax bid](#), Minneapolis Star, 5/17/1965

Mostly about other taxation, see page 2 about sales tax proposal: [Legislature passes income tax boost of \\$52 million](#), Minneapolis Star, 5/23/1965

Minnesota Taxpayers Association stance: [Don't expect state income tax cut](#), Star Tribune, 9/2/1965

DFL stance: [General sales tax needn't be regressive](#), Star Tribune, 10/8/1965

Quie's stance: [State should adopt excise taxes: Quie](#), Star Tribune, 11/19/1965

Campaign ad: [Rolvaag campaign ad that mentions sales tax](#), Star Tribune, 10/30/1966

Campaign ad: [Another Rolvaag campaign ad that mentions sales tax](#), Star Tribune, 11/6/1966

Republican stance: [Republicans](#), Star Tribune, 11/8/1966

Report with Citizen's League stance: [Citizens League Tax Relief and Reform Proposal](#), 1967

- The report recommends that "food purchased for home consumption, prescription drugs, and non-luxury clothing purchases" be exempt.

Conservatives' stance from DFL perspective: [DFLer says legislature will pass sales tax](#), Minneapolis Star, 2/23/1967

Explanation of a bill: [Tax reform hopes dim- Rep. Adams](#), Star Tribune, 4/25/1967

Committee work: [Excise plan gains; veto possible](#), Star Tribune, 5/10/1967

Veto: [Tax bill vetoed... again](#), Star Tribune, 6/1/1967

Impact: [How Minnesota's new tax law will work](#), Star Tribune, 6/2/1967

Impact: [Articles about the impact of tax law](#), Star Tribune, 7/31/1967

Impact: [Articles about the impact of tax law](#), Star Tribune, 8/1/1967

Financial and administrative review: 1967 Minnesota state legislature, November 1967

- [Selected pages.](#)

Summary: [Why doesn't Minnesota charge a sales tax on clothing?](#), Star Tribune, 12/25/2020.

## Brief Legislative Timeline

In reverse chronological order. Some of the linked bill text below is from microfilm that's not super easy to scan. Let me know if there's a page that you're having trouble reading and we'll try to get a clearer image.

You'll have to let me know if you need more information about any of these bills.

1967

[1967 Extra Session Chapter32 / HF 27](#)

1967 HF1292

See [1967 HF1292, beginning at p. 344+ of the PDF](#)

[1967 HF48](#)

1965

1965 & 1967 – there are some bills that would exempt some tangible personal property, but they are household furnishings. Would you be interested in seeing those?

[1965 HF1209](#)

Constitutional amendment to exempt clothing, etc.

[1965 HF1034](#)

See Sec. 25 (looks like 1961 HF1805? And 1963 HF1737?)

1963

[1963 HF1737](#) / SF1642

Interestingly, there was an [objection to the introduction of this bill](#) in the Senate on 4/15. It was introduced and referred to the taxes committee.

See Sec. 25 (looks like 1961 HF1805?)

[1963 HF1903](#)

Constitutional amendment to exempt clothing, etc.

1961

[1961 HF1805](#) and [1961 HF1719](#) (note that they are not companion bills; no Senate companions)

HF1805 - See sec. 25 for a list of exempted items (no clothing, etc. listed)

HF1719 - See article 2

I'm putting these together because they were returned from House taxes committee ["indefinitely postponed"](#)

[1961 HF539](#)

Constitutional amendment

General sales tax vs. personal property tax

1959

[1959 HF127](#) and [1959 HF128](#) (note that they are not companion bills)

These are both constitutional amendments

General sales tax vs. personal property tax

Mentions prescription drugs and clothing.

[1959 HF4](#) and [1959 HF23](#) (note that they are not companion bills)

These are lumped together in the index. They are lumped with SF21, SF19, SF43 in the index.

Mentions home furnishings

HF4 went to the tax committee 1/12; HF23 went to the tax committee 1/13.

SF21 went to the taxes committee 1/12; SF19 went to the taxes committee 1/12; SF43 went to the taxes committee 1/14.