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S.F. No. 1562 – Sales tax exemption for nonprofit animal shelters (as proposed to be amended by the A-1 amendment)

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This bill provides three sales tax exemptions related to nonprofit animal shelters:

First, it provides a sales tax exemption for purchases made by an animal shelter and used directly in rescuing, sheltering, and finding homes for unwanted animals. “Animal shelter” means a nonprofit organization engaged in the business of rescuing, sheltering, and finding homes for unwanted animals. The exemption does not apply to:

- building, construction, or reconstruction materials purchased by a contractor or subcontractor as part of a lump-sum contract;
- construction materials purchased by an animal shelter or contractor to be used in constructing buildings or facilities that will not be used principally by the shelter;
- lodging; prepared food, candy, soft drinks, and alcoholic beverages; and
- leasing of a motor vehicle.

Second, the bill exempts the sale or adoption of animals and the sale of associated animal supplies and equipment by an animal shelter.

Finally, the bill provides an exemption for sales made by and events run by an animal shelter for fundraising purposes, including the sale of prepared food, candy, soft drinks at a fundraising event, subject to the following limits:

- total fundraising must not exceed 24 days per year;
- fundraising events must be conducted on premises leased for five or fewer days; and
- the exemption does not apply to admission charges for events involving bingo or other gambling activities or to charges for use of amusement devices involving bingo or other gambling activities.

Effective for sales and purchases made after June 30, 2022.