

S.F. No. 1139 – Sales tax exemption for nonprofit animal shelters (as proposed to be amended by the A-2 amendment)

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Section 1. Pets and pet supplies. Provides a sales tax exemption for pets, companion animals, and services animals, as those terms are defined under current law. Supplies, materials, and equipment used directly in the breeding or sheltering of, or care for, a pet, companion animal, or service animal are also exempt. The exemption does not apply to construction materials purchased by a contractor or subcontractor under a lump-sum contract or used in buildings that will not be used principally for the purposes of breeding or sheltering of or caring for pets, companion animals, or service animals; or lodging, prepared food, candy, soft drinks, and alcoholic beverages; and leasing of a motor vehicle. Effective for sales and purchases made after June 30, 2023.

Section 2. Animal shelters. Provides the following sales tax exemptions related to nonprofit animal shelters, effective for sales and purchases made after June 30, 2023:

- 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 construction materials purchased by a contractor or subcontractor under a lump-sum contract or used in 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.
- The sale or adoption of animals and the sale of associated animal supplies and equipment by an animal shelter; and
- 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.