

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 735

(SENATE AUTHORS: REST)

DATE

D-PG

01/27/2025

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OFFICIAL STATUS

Introduction and first reading
Referred to Taxes

1.1A bill for an act

1.2relating to taxation; sales and use; modifying the exemption for telecommunications

1.3or pay television services machinery and equipment; amending Minnesota Statutes

1.42024, section 297A.68, subdivision 35a.

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

1.6Section 1. Minnesota Statutes 2024, section 297A.68, subdivision 35a, is amended to read:

1.7Subd. 35a. **Telecommunications or pay television services machinery and**

1.8**equipment.** (a) Telecommunications or pay television services machinery and equipment

1.9purchased or leased for use directly by a telecommunications or pay television services

1.10provider primarily in the provision of telecommunications or pay television services that

1.11are ultimately to be sold at retail are exempt, regardless of whether purchased by the owner,

1.12a contractor, or a subcontractor.

1.13(b) For purposes of this subdivision, "telecommunications or pay television machinery

1.14and equipment" includes, but is not limited to:

1.15(1) machinery, equipment, and fixtures utilized in receiving, initiating, amplifying,

1.16processing, transmitting, retransmitting, recording, switching, or monitoring

1.17telecommunications or pay television services, such as computers, transformers, amplifiers,

1.18routers, bridges, repeaters, multiplexers, and other items performing comparable functions;

1.19(2) machinery, equipment, and fixtures used in the transportation of telecommunications

1.20or pay television services, such as radio transmitters and receivers, satellite equipment,

1.21microwave equipment, fiber, conduit, and other transporting media, but not wire, cable, or

1.22poles;

2.1 (3) ancillary machinery, equipment, and fixtures that regulate, control, protect, or enable
2.2 the machinery in clauses (1) and (2) to accomplish its intended function, such as auxiliary
2.3 power supply, test equipment, towers, heating, ventilating, and air conditioning equipment
2.4 necessary to the operation of the telecommunications or pay television equipment; and
2.5 software necessary to the operation of the telecommunications or pay television equipment;
2.6 and

2.7 (4) repair and replacement parts, including accessories, whether purchased as spare parts,
2.8 repair parts, or as upgrades or modifications to qualified machinery or equipment.

2.9 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
2.10 30, 2025.