



Minnesota House Research Department

Crosswalk Table for Sales Tax Recodification

In 1997, the legislature directed the Revisor of Statutes, in coordination with legislative staff, to prepare a bill clarifying and recodifying [Chapter 297A – Sales and Use Tax](#). This was in response to a recommendation by the 1996 Sales Tax Advisory Council. The bill was introduced in the 2000 and enacted into law. [Laws 2000, ch. 418](#).

This page provides a cross-reference table between the law, as passed in 2000, and the sales tax statutes as they existed in 1999. Linking 2000 statutes with 1999 statutes should make it easier to research the history of individual sales tax provisions.

Current Cite	Old Law Cite	Action Taken in the Recodification
Uncodified		Purpose and effect. States the intent behind the sales tax recodification is to remove archaic, obsolete, and redundant language, and improve organization and readability. States the intended interaction with repeal of the current law and enactment of the recodified law. States that provisions of this act may not be used to determine the law prior to the act's effective date.
37.13, subd. 2	297A.25, subd. 40	Capital improvements. Moves the requirement that the state agricultural society use the sales tax it collects on admissions for capital improvements on the fair grounds and match that money with equal amount from other sources to the agricultural society chapter. The remainder of this provision, stating that it may retain the sales tax it collects, is moved to section 3.
289A.31, subd. 7, paragraph (e)	297A.023	Remittance of amount collected as taxes. Moves a provision in chapter 297A that refers to remitting the tax to chapter 289A - Tax Administration and Compliance. Clauses are broken into individual sentences. "Written evidence" is substituted for the word "proof." Allows a refund of erroneous collections based on a plan to refund the money to the purchaser rather than proof that the tax has already been refunded to the purchaser. States that any interest earned must also be returned to the purchaser.
289A.31, subd. 7, paragraph (f)	297A.25, subd. 40	State fair admissions. Moves the provision which allows the state agricultural society to keep sales tax collected on state fair admissions if the revenues are used to maintain state fair buildings to chapter 289A since it is a remittance provision. The matching requirements that must be met in order to invoke this provision are listed in section 2.
297A.61	297A.01	Definitions. This is probably the most complicated portion of the recodification. Substantive provisions, such as exemptions, are moved out of this section. Definitions that are used in only one section or subdivision of existing law are moved to that section. When possible, multiple clause sentences are broken into lists. We establish a new definition of taxable services and move the definitions of these services into one subdivision. This allows us to breakup section 297A.01, subdivision 3, the lengthiest definition in current law, and helps clarify that the presumption regarding sales of tangible property vs. services is different, particularly for some exemptions.
297A.61, subd. 1	297A.01, subd. 1	Applicability. The phrase "meanings ascribed" is changed to "meanings given," and "except where" is changes to "unless."
297A.61, subd. 2	297A.01, subd. 2	Person. Rewritten to put the basic definition first. The remainder of current law which enumerates organizations and individuals included in the definition follows. The start of the second sentence "As used in the preceding sentence" and the word "shall" in the third sentence of current law are eliminated as redundant.

Current Cite	Old Law Cite	Action Taken in the Recodification
297A.61, subd. 3	297A.01, subd. 3	Sale and purchase. This is a very long definition. Current law is written as one large sentence with subordinate clauses, subclauses, and imbedded sentences. This is broken into individual paragraphs with complete sentences for readability. Each paragraph begins with the phrase "Sale and purchase include". Removes services listed in the definition and makes a new definition of taxable services in section 297A.61, subd. 15. States that a sale of a taxable service is a sale for tax purposes. Changes to individual clauses are listed below.
297A.61, subd. 3, paragraph (b)	297A.01, subd. 3, clause (a)	Sale includes transfer of title or possession or leasing. Replaces the clause "for consideration in money, barter, or exchange" to "for a consideration" and moves this clause to the middle of the sentence.
297A.61, subd. 3, paragraph (c)	297A.01, subd. 3, clause (b)	Sale includes production, etc. No language change.
297A.61, subd. 3, paragraph (d)	297A.01, subd. 3, clause (c) (part)	Sales include food, etc. Drops "meals" from the phrase "food, meals and drink" since meals is a subset of food according to the rules. Subclauses (1), (2), and (3) of the original law are moved to the exemptions section. The sentence in current law subclause (iii) stating that "For purposes of this subdivision, "single or individual servings" does not include products when sold in bulk containers or bulk packaging" was dropped as redundant since it is also stated at the end of the paragraph. In current law, subclause (iv), the phrase "except" was changed to "but not including." In current law, subclause (v), the phrase "except when sold for fundraising purposes by a nonprofit . . ." was moved to the exemption section. The phrase "for purpose of this subdivision" was changed to "For purposes of this paragraph."
297A.61, subd. 3, paragraph (e)	297A.01, subd. 3, clause (f) (part)	Sale includes telephone and utilities. Moves the exemptions for residential water and natural gas for motor vehicles to the exemption sections.
297A.61, subd. 3, paragraph (f)	297A.01, subd. 3, clause (j)	Sale includes computer software. Moves the definition of computer software into a separate definition (297A.61, subd. 16).
297A.61, subd. 3, paragraph (g)	No equivalent	Sale includes a sale of taxable services. This is the new cross-reference to services now defined as taxable sales
297A.61, subd. 4	297A.01, subd. 4, except paragraph (g)	<p>Retail Sale. This is generally left as in current law with some minor wording changes for clarity and consistency. Paragraph (g) of current law is moved to section 297A.82, which deals exclusively with aircraft and flight equipment. In the exceptions found in paragraphs (b) - (j) the phrase "Sales of" is added at the beginning of each paragraph and the phrase "is (not) considered property for resale" is changed to "is (not) a sale of property for resale." The affirmative phrase "is a retail sale" replaces the phrase "is not a sale of property for resale" where appropriate. Other changes for individual paragraphs are noted below.</p> <p>Paragraph (b) - changes "utilized" to "used;" changes "such property" to "it;" changes "to so lease" to "to lease;" eliminates the phrase "which is."</p> <p>Paragraph (c) - changes "computer software programs" to "computer software."</p> <p>Paragraph (d) - drops "or sales at retail" as redundant.</p> <p>Paragraphs (e) and (f) - clarifies that when an installer is the purchaser of items used in a contract for the improvement of real property, that the installer's purchase is a retail sale and not a sale for resale.</p> <p>Paragraphs (h), (i), and (j) - splits one long provision under current law into three: prizes and promotional items used at amusement and recreational areas or athletic events, prizes and promotional items for charitable gambling and state lottery, and coin-operated devices. The phrase "including" is changed to "including, but not limited to" in paragraphs (h) and (i) to match current practice.</p>
	297A.01, subd. 22 (part)	Paragraph (k) - states that for a lease, a retail sale occurs when obligation to make a lease payment becomes due.

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	New	Paragraph (l) - states that for a conditional sales contract, a retail sale occurs on transfer of title or possession of the property.
297A.61, subd. 5	297A.01, subd. 5	Storage. No change from current law. Temporary storage and property transported outside of the state are exempt from tax under section 297A.68, subd. 13 to 15.
297A.61, subd. 6	297A.61, subd. 6	Use. The first paragraph is rewritten. Eliminates the phrase "tickets or admissions to places of amusement." Adds the phrase "and taxable services." The phrase "incident to the ownership of any interest" is moved to improve readability. The phrase "are consumed in" is eliminated in the second paragraph as redundant.
297A.61, subd. 7	297A.01, subd. 8 and 297A.35, subd. 2	Sales price. This subdivision is broken into four paragraphs: the general definition, a laundry list of what is included in sale price, a laundry list of what is excluded from sale price, and a special provision for ready-mix cement trucks. Under the general definition the term "paid in money or otherwise" is changed to "paid in money, or by barter or exchange" to clarify what "otherwise" means. Clarifies that items (2), (3), (4), and (5) in clause (c) are only excluded if separately stated: Paragraph (c), clause (7), is moved from section 297A.135, subdivision 2, of current law. Paragraph (c), clause (8), is a codification of the Minnesota Supreme Court ruling in the <i>Sprint</i> case regarding federal excise taxes.
297A.61, subd. 8	297A.01, subd. 9 (part)	Gross Receipts. No change from the first sentence in current law. The second sentence in current law, dealing with whether gross receipts are reported on a cash or accrual basis is substantive and is therefore moved to section 297A.79.
297A.61, subd. 9	297A.01, subd. 10	Retailer. Changes the word "includes" to "means." Drops the phrase "as herein defined."
297A.61, subd. 10	297A.01, subd. 11, and 297A.01, subd. 3, clause (i) (part)	Tangible personal property. Breaks this subdivision into three paragraphs: a general definition, a list of things included in the definition, and a list of what is not included. The definition of "pre-paid calling cards" is moved into its own subdivision - section 297A.61, subdivision 19.
297A.61, subd. 11	297A.01, subd. 12	Commissioner. No change.
297A.61, subd. 12	297A.01, subd. 15	Farm machinery. In paragraph (b), clause (1), the phrase "and certain machinery for dairy, livestock, and poultry farms" is eliminated as confusing since this machinery is explicitly listed in clauses (2), (5), and (6). Rewrites the exclusions to the definition as a list in paragraph (c).
297A.61, subd. 13	297A.01, subd. 19	Aquaculture production equipment. Breaks one paragraph into three paragraphs. No language changes.
297A.61, subd. 14	297A.01, subd.22 (part)	Leasing, lease. Contains the general definition of a lease in current law with very minor word changes. The portion of the current law that defines when a "lease" is really a sale is moved to subdivision 15 as a new definition of "conditional sales contract" along with the definition of "nominal amount." A cross-reference to this is added.
297A.61, subd. 15	297A.01, subd. 22 (part)	Conditional sales contract. Defines a "conditional sales contract" as a contract that provides that title of the property is obtained at end of the contract or that the purchaser or lessee may purchase the property for a nominal amount.
297A.61, subd. 16	297A.01, subd. 3, various clauses	Taxable services. Defines taxable services to include the following services enumerated in the definition of "sales and purchase" in current law. By definition, all taxable services are included in the definition of a sale and purchase under section 297A.61, subd. 3, clause (g). Takes out the phrase "for a consideration" in a number of paragraphs since it is explicit in the definition of a sale.
297A.61, subd.16, paragraph (b)	297A.01, subd. 3, paragraph (d)	Admissions to places of amusement. Moves the super bowl exemption to the general exemptions. Changes the phrase "the privilege of having access to and the use of" to "the making available of."
297A.61, subd. 16, paragraph (c)	297A.01, subd. 3, paragraph (e)	Lodging. Changes "tourist court" to "resort."

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297A.61, subd. 16, paragraph (d)	297A.01, subd. 3, paragraph (g)	Cable television. Eliminates several redundant uses of the phrase "charges for." Eliminates the word "monthly."
297A.61, subd. 16, paragraph (e)	297A.01, subd. 3, paragraph (h)	Parking services. No language changes.
297A.61, subd. 16, paragraph (f)	297A.01, subd. 3, paragraph (k) (part)	Membership in clubs, etc. Changes "includes" to "means." The language related to camps and other recreational facilities owned and operated by a 501(c)(3) organization is moved to an exemption (section 297A.70, subd. 16).
297A.61, subd. 16, paragraph (g)	297A.01, subd. 3, paragraph (i)	"1987 taxable services." This group of services were all defined as taxable in 1987 and were kept together in one paragraph.
297A.61, subd. 17	297A.01, subd. 3, clause (j) and 297A.01, subd. 18 (part)	Computer software. Combines all the definitions used in computer software that formerly appeared in the definition of "sale" with the general portions of the definition that currently appears in the definition of "custom computer software." The definition of "custom computer software" is moved to the exemption for custom computer software.
297A.61, subd. 18	297A.01	Handicapped. Minor language changes.
297A.61, subd. 19	297A.15 subd. 4 - (part)	Common carrier. This definition is moved out of the penalty provision for non-payment of use tax since "common carrier" is used several other places in the chapter. Some sentences are restructured for clarity and the various ways a person may qualify as a common carrier is made into a list.
297A.61, subd. 20	297A.01, subd. 11 (part)	Prepaid telephone calling card. This definition is moved out of the definition of tangible personal property and into its own subdivision. The sentence is rewritten from the plural to the singular.
297A.61, subd. 21	297A.25, subd. 12 (part)	Normal course of business. This definition is moved out of the occasional sales exemption because the phrase is used several times in the recodified chapter. No changes made to the language.
297A.61, subd. 22	New definition	Internal Revenue code. This is referred to several times in the chapter so a common definition that can be easily updated is desirable.
297A.61, subd. 23	New definition	United States Code. This is referred to several times in the chapter so a common definition that can be easily updated is desirable.
297A.62	297A.02	Sales tax imposed; rates. The phrase "excise tax" is changed to "sales tax" and the phrase "retail sales" replaces the phrases "sales at retail" or "sales" throughout the section, where applicable. Subdivision 1 is rewritten to make explicit that the sales tax applies to retail sales made by any one required to have or voluntarily obtains a sales tax permit. Subdivision 2 of the current law, the rate on farm machinery, is eliminated since it is unnecessary after June 30, 2000. In subdivision 3 the phrase "for residential uses" was substituted for the phrase "that are used for residential purposes."
297A.63	297A.14 subd. 1	Use taxes imposed; rates. The use tax imposition section is moved next to the sales tax imposition section. Subdivision 1 of current law is subdivided into two subdivisions in the bill: use of tangible personal property and use of tangible personal property that is fabricated by the user. Multi-clause sentences are broken into shorter sentences and are reordered for readability. Subdivision 2 of current law, use tax on motor vehicles, is eliminated since this tax is imposed and paid under chapter 297B. Subdivision 4, the de minimis exemption, is moved to the exemptions; section 297A.67, subd. 21.
297A.64	297A.135 except subd. 2	Rental motor vehicle tax. The reference to the definition of sales price in subdivision 1 is omitted as redundant. Subdivision 2 in current law has been moved to the definition of sales price.
297A.65	297A.259	Lottery tickets; in-lieu tax. The last sentence of the section is reorganized.
297A.66	297A.04 (part) and 297A.21, except subd. 5	Jurisdiction to require collection (Nexus). Statements regarding when a retailer must collect sales or use tax are buried in the current sections on application for a sales tax permit and registration to collect use tax. These are pulled out and combined into one separate section. Section 297A.21, subdivision 5, related to voluntary registration by an out of state retailer, is retained in the permit section since it is not a required duty to collect the tax.

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subd. 1	297A.21, subd. 1 and 2	Definitions. The definitions of "retailer maintaining a place of business in this state" and "destination of a sale" are only used in this section so they are not moved to section 297A.61. The language is the same with only minor grammatical changes made.
subd. 2	297A.04 (part) and 297A.21, subd. 3,	Retailer maintaining a place of business in this state. Combines the requirements that any one maintaining a place of business in Minnesota and making sales in Minnesota must collect the sales or use tax. The portion of section 297A.04 pertaining to the actual application for permits is moved to section 297A.83; permits.
subd. 3	297A.21, subd.4	Retailer not maintaining a place of business in this state. The main change is to add the phrase "to the extent allowed by the United States Constitution and the laws of the United States." Currently this section of law is unenforceable under the <i>Quill</i> case but future federal legislation could change that result. Redundant language with unnecessary cross-references are removed and other minor language changes are made.
297A.665	297A.09, 297A.22, and 297A.23	Presumption of tax; burden of proof. Combines the presumption sections for sales tax and use tax found in current law into one section. Minor changes are made in wording and sentence structure.
297A.67	See below	General exemptions. Includes exemptions that are of interest to individuals regarding purchases for personal use as well as more general exemptions.
subd. 1	297A.25, subd. 1	Scope. The phrase "The gross receipts from the sale and purchase of, and storage, distribution, use, or consumption of" was added to this subdivision so that it would not have to be repeated for each exemption. This phrase is now omitted from the other subdivisions in this section.
subd. 2	297A.25, sub. 2	Food products. The references to items exempt under the definition in current law are deleted since they have been moved to the exemption section.
subd. 3	297A.25, subd. 35	Food Stamps. Minor changes in sentence structure only.
subd. 4	297A.01, subd.3, paragraph (c), clause (1)	Exempt meals at residential facilities. Moved from definition to exemption. No other change.
subd. 5	297A.01, subd.3, paragraph (c), clause (3)	Exempt meals at schools. Moved from definition to exemption. No other change.
subd. 6	297A.01, subd.3, paragraph (c), clause (2)	Other exempt meals. Moved from definition to exemption. No other change.
subd. 7	297A.25, subd. 3 (part)	Medicines, medical devices. Adds definitions of therapeutic and prosthetic devices from the rule. Adds hospital beds which are exempt under the rule. Restructures some sentences for readability. The portion of current law that exempts medical supplies bought by health care facilities and professionals is moved to the business exemptions, section 297A.68, subd. 28.
subd. 8	297A.25, subd. 8 (part)	Clothing. Major rewriting of this subdivision occurred. The following provisions from rules were codified: inclusion of sewing materials in the exemption and the exclusion of sports and protective clothing from the exemption. Irrelevant, archaic, and obscure language regarding unrelated items, such as silverware, was eliminated. The exemption related to "lotion, oil, powder or other items intended to be used or applied only in the case of babies" is moved to a separate exemption, section 297A.67, subd. 9.
subd. 9	297A.25, subd. 8 (part)	Baby Products. Takes the portion of the current clothing exemption related to "lotion, oil, powder or other items intended to be used or applied only in the case of babies" and makes it into a separate exemption. Codifies current rules that describe what is included in this exemption.
subd. 10	297A.25, subd. 17	Caskets; vaults. Clarifies that this exemption only applies to caskets and vaults used for human burial.
subd. 11	297A.25, subd. 18	Automobiles; disabled veterans. Updates the reference to the United States Code.

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subd. 12	297A.25, subd. 52 and 297A.03, subd. 14	Parts and accessories used to make a motor vehicle handicapped accessible. Restructures the existing language to eliminate redundancy.
subd. 13	297A.25, subd. 21	Textbooks. Changes "public or private school" to "school" and "business or trade school" to "private career school." Eliminates associated definitions and replaces them with references to definitions of school and private career schools that exist in other chapters of law.
subd. 14.	297A.25, subd. 58	Personal computers prescribed by use for school. Makes the same changes regarding "school" and "private career school" as occur in the previous subdivision. Replaces the phrase "to purchase or otherwise acquire and possess" with the word "have."
subd. 15	297A.25, subd. 23	Residential heating fuels. Changes the sentence structure in clauses (2) and (3).
subd. 16	297A.01, subd. 3, paragraph (f) (part)	Residential water services. Moves this exemption out of the definition of a sale. Removes references to sewer services since they are never subject to tax regardless of whether it is residential or business use. Adds the phrase "regardless of how the service is billed." Some municipalities currently bill for water and sewer services together.
subd 17	297A.25, subd. 26	Feminine Hygiene products. No language change.
subd. 18	297A.25, subd. 38	Used motor oils. No language change.
subd. 19	297A.25, subd. 39	Cross country ski passes. No language change.
subd. 20	297A.25, subd. 27	Manufactured homes. No language change.
subd. 21	297A.14, subd. 4	De minimis exemption. This exemption is moved from the definition of use tax. No language change.
subd. 22	297A.25, subd. 32	Property brought into Minnesota by a nonresident. No language change.
subd. 23	297A.25, subd. 12 (part)	Occasional sales. The occasional exemption in current law is divided into two exemptions, a general exemption which occurs here and a business exemption (section 297A.68, subd 25). The general exemption only exempts sales not made in the normal course of business. The business exemption deals with specific sales related to property used in a trade or business.
subd. 24	297A.25, subd. 4	Constitutional prohibitions. No language changes but the sentence clauses are rearranged for readability.
297A.68	See below	Business exemptions. Includes exemptions of interest to business except for issues of building construction.
subd. 1	297A.25, subd. 1	Scope. The phrase "The gross receipts from the sale and purchase of, and storage, distribution, use, or consumption of" was added to this subdivision so that it would not have to be repeated for each exemption. This phrase is now omitted from the other subdivisions in this section.
subd. 2	297A.25, subd. 9 (part)	Materials consumed in production. This exemption is split into an industrial production exemption which occurs here and an agricultural production exemption in section 297A.69, subd. 2. This subdivision underwent a major rewrite. It is split into three paragraphs. The first lists what is included in the exemption, the second lists the exclusions, and the third defines "industrial production." "Fuels, electricity, gas and steam, except when used for space heating and lighting" is changed to "fuels, electricity, gas and steam used or consumed in the production process except that electricity, gas, or steam used for space heating or lighting is exempt only if it is necessary to produce that particular industrial product." This more accurately reflects the current Department interpretation which recognizes that some space heating and lighting is part of the production process. The electricity used in snowmaking at ski areas is moved to a separate exemption in section 297A.68, subdivision 20.

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subd. 3	297A.25, subd. 62	Materials used in providing certain taxable services. Paragraph (d) of the current law, which states that taxable services only means the "1987 taxable services," is incorporated into paragraph (a) of this subdivision in the bill. The statement that the exemption does not include "fuel, electricity, gas, and steam used for space heating or lighting" is moved and rewritten to say this exemption <i>includes</i> "fuel, electricity, gas, and steam used or consumed in the production process, except that electricity, gas, or steam used for space heating or lighting is exempt only if it is necessary to produce that particular taxable service." This more accurately reflects the current Department interpretation for some space heating and lighting.
subd. 4.	297A.25, subd. 15	Taconite production materials. The exemption is restructured. Eliminates the phrase "the material of which primarily is added to and becomes a part of the material being processed" as unnecessary.
subd. 5	297A.25, subd. 42 and 297A.01, subd. 16	<p>Capital equipment exemption. Moves the definition of capital equipment from the definition section to this exemption. Now explicitly states in the exemption that the tax must be paid and the purchaser must apply for a refund. The definitions of words used in the definition of capital equipment are reordered in paragraph (d); currently they are listed alphabetically, they are now listed in the order in which they appear in the definition of capital equipment. The following changes in wording are made:</p> <ul style="list-style-type: none"> • paragraph (b), clause (4), the phrase "necessary to" is changed to "used to;" • paragraph (c), clause (3), the phrase "except for materials included in paragraph (b), clauses (6) and (7)" is added; • paragraph (c), clause (6), is completely new language but helps clarify the requirement in paragraph (a) that the purchaser must be the equipment user in order for the capital equipment to qualify for the exemption; • in the definition of machinery, the phrase "beginning with the removal of raw materials from inventory through the completion of the product, including packaging of the product" is eliminated and becomes the definition of "integrated production process" in clause (8); • in the definition of equipment, the phrase "but essential to the integrated production process" is eliminated as redundant since that is part of the main definition of capital equipment; • paragraph (d), clause (8), is the new definition of "integrated production process;" and • in the definition of pollution control equipment, the word "used" is changed to "used solely" for identifying pollution control equipment that does not qualify. The term "solely" regarding pollution control equipment was taken out of paragraph (c) to improve readability of that list.
subd. 6	297A.25, subd. 53 and 297A.01, subd. 17	Special tooling. Moves the definition of special tooling from the definition section to this exemption. No other language changes.
subd. 7	297A.25, subd. 49	Air cooling equipment. No language change.
subd. 8	297A.2545	Pollution control equipment (steel reproducers). Minor language and organization changes.
subd. 9	297A.01, subd. 3, paragraph (e)	Super bowl admission. This exemption is moved from the definition section. Language is only changed as needed to make it grammatically correct.
subd. 10	297A.25, subd. 10	Publications, publication materials. The subdivision was reordered and rewritten to remove archaic language and improve readability. For example, the phrase "as used herein" is dropped. The portion dealing with advertising contained in a publication is moved to a separate paragraph.
subd. 11	297A.25, subd. 22	Advertising materials. Sentence structure is reordered. The phrase "regardless of where the mailing occurs" is added to the last sentence of the subdivision.
subd.12	297A.25, subd. 48	Wind energy conversion systems. Minor reordering of the sentence structure.

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subd. 13	297A.25, subd. 5, clause (1)	Outstate transport and delivery. Clause (1) of the current law deals with property shipped out of the state by the purchaser. It is rewritten into a list of conditions that must be met to qualify for this exemption. The second clause of the subdivision deals with property shipped out of state by the seller and is made into a separate subdivision, section 297A.68, subd. 15.
subd. 14	297A.01, subd. 7 (part)	Temporary storage. Moves this provision from an exception to the definition of storage to this exemption. The provision is split into 2 exemptions; the portion dealing with tickets to events outside of the state is in section 297A.68, subdivision 32. This provision is rewritten to provide a list of the conditions need to qualify for this exemption.
subd. 15	297A.25, subd. 5, clause (2)	Outstate delivery by seller. Clause (2) of the current law deals with property shipped out of the state by the seller. It is rewritten into a list of conditions that must be met to qualify for this exemption. The first clause of the subdivision deals with property shipped out of state by the seller and is made into a separate subdivision, section 297A.68, subd. 13.
subd. 16	297A.25, subd. 6	Packing materials. The sentence structure is changed to increase readability.
subd. 17	297A.25, subd. 45	Ships used in interstate commerce. No language change. Broken into two sentences.
subd. 18	297A.01, subd. 3, paragraph (j) (part) and subd. 18 (part)	Custom computer software. This exemption is moved out of the definition section. This includes the definition of what makes computer software "custom." No changes in language except as needed to make it grammatically correct.
subd. 19	297A.25, subd. 7	Petroleum products. No language changes.
subd. 20	297A.01, subd. 3, paragraph (f) (part)	Natural gas in vehicles. This exemption is moved out of the definition section. No language changes.
subd. 21	297A.25, subd. 9 (part)	Snowmaking. This exemption was separated from the materials consumed in production exemption in current law since what is being produced is really an input to a service. No language changes.
subd. 22	297A.25, subd. 64	Copies of court reporter documents. Minor changes to sentence structure.
subd. 23	297A.25, subd. 51	Automatic fire-safety sprinkler systems. No language change.
subd. 24	297A.25, subd. 28	Waste processing equipment. No language change.
subd. 25	297A.25, subd. 12 (part)	Occasional sales. This exemption is separated from the occasional sale exemption in section 297A.67, subd. 23, since these provisions deal exclusively with certain business transactions. The only language change is in the beginning sentence in paragraph (b) which states that a sale qualifies "only if one of the following conditions are satisfied." Under current law the sentence states that a sale <i>does not</i> qualify for the exemption <i>unless</i> one of the conditions is met The portion regarding farm auctions and farm sales was left in this exemption instead of moved to the agricultural exemptions.
subd. 26	297A.25, subd. 36	Interstate WATS Lines. No language changes.
subd. 27	297A.25, subd. 32 (part)	Motor vehicles. Changes the phrase "the sales tax on motor vehicle laws of Minnesota" to "chapter 297B." The provision on motor vehicle leases by political subdivisions is moved to section 297A.70, subdivision 3, paragraph (a), clause (8).
subd. 28	297A.25, subd. 3 (part)	Medical supplies. This exemption is for supplies bought by health care facilities and providers and is separated from the medicine and medical devices exemption in section 297A.67, subd. 7. No language changes.
subd. 29	297A.25, subd. 79	Prizes. No language changes.
subd. 30	297A.25, subd. 80	Television commercials. No language changes. The first sentence of the subdivision in current law is divided into two sentences.
subd. 31	297A.25, subd. 83.	Waste management containers and compactors. Deletes the phrase "from the sales and use taxes imposed under this chapter" as redundant.

Current Cite	Old Law Cite	Action Taken in the Recodification
subd. 32	297A.01, subd. 7 (part)	Events located outside Minnesota. This provision is removed from being an exception to the definition of storage to this exemption. The provision is rewritten to clarify the effect of the tickets and admissions portion of that subdivision under current law.
297A.69	See below	Agricultural exemptions. This only contains exemptions specific to agriculture; some business exemptions in section 297A.68 may also apply to this sector.
subd. 1	297A.25, subd. 1	Scope. The phrase "The gross receipts from the sale and purchase of, and storage, distribution, use, or consumption of" was added to this subdivision so that it would not have to be repeated for each exemption. This phrase is now omitted from the other subdivisions in this section.
subd. 2	297A.25, subd. 9 (part) and 297A.01, subd. 13	<p>Materials consumed in agricultural production. The current exemption for materials consumed in production is split into an agricultural production exemption which occurs here in paragraph (a) of this subdivision and an industrial production exemption in section 297A.68, subd. 2. Paragraph (b) of this subdivision is the definition of "agricultural production" which is moved from the definition section because it is only used in this subdivision. Paragraph (a) was rewritten but the only change in paragraph (b) was to move the word "horses." The major language changes are:</p> <ul style="list-style-type: none"> • in paragraph (a), clause (1), the phrase "in a federal or state farm or conservation program" was substituted for a laundry list of individual programs; and • in paragraph (a), clause (5), the phrase "fuels, electricity, gas and steam, except when used for space heating and lighting" is changed to "fuels, electricity, gas and steam used or consumed in the production process except that electricity, gas, or steam used for space heating or lighting is exempt only if it is necessary to produce that particular agricultural product." This more accurately reflects the current Department interpretation which recognizes that some space heating and lighting is part of the production process.
subd. 3	297A.25, subd. 29	Farm machinery repair parts. No language change.
subd. 4	297A.25, subd. 59	Farm machinery. Combines new and used farm machinery since it is all exempt after June 30, 2000.
subd. 5	297A.25, subd. 54	Used farm tires. No language change.
subd. 6	297A.25, subd. 57	Horses. No language change.
297A.70	See below	Exemptions for governments and nonprofit groups.
subd. 1	297A.25, subd. 1 and 297A.25, subd. 11 (part)	Scope. The phrase "The gross receipts from the sale and purchase of, and storage, distribution, use, or consumption of" was added to this subdivision so that it would not have to be repeated for each exemption. This phrase is now omitted from the other subdivisions in this section. Paragraphs (b) and (c) come from section 297A.25, subd. 11, in current law and apply to all the subdivisions in this section pertaining to governments.
subd. 2	297A.25, subd. 11 (part)	Sales to government. Section 297A.25, subdivision 11 in current law is divided into three parts in this section. General exemptions for specific types of governments or systems within political subdivisions are contained in this subdivision. Paragraph (a) lists the governmental entities that qualify for this general exemption. Paragraph (b) lists the specific purchases excluded from this general exemption. The specific exception for road materials purchased by contractors in current law pre-dates the imposition of the tax on political subdivisions and is therefore excluded as obsolete.
subd. 3	297A.25, subd. 11 (part) , 34 (part), 41, 56, and 73	Sales of certain goods and services to government. This exemption lists all the government exemptions for specific items purchased for specified purposes that exist in current law. Only minor language changes are made to ensure grammatical consistency.
subd. 4	297A.25, subd. 16	Sales to nonprofit groups. This subdivision is substantially rewritten. Paragraph (a) lists the criteria that a nonprofit group must meet in order to qualify. Paragraph (b) lists the sales excluded from this general exemption.
subd. 5	297A.25, subd. 25	Veterans groups. The reference to the Internal Revenue Code is updated.

Current Cite	Old Law Cite	Action Taken in the Recodification
subd. 6	297A.25, subd. 44	Ambulances. No language changes.
subd. 7	297A.25, subd. 63	Hospitals and outpatient surgical centers. In paragraphs (a) and (b) cross-references to paragraph (c) are added. The phrase "to human beings" is dropped as redundant since that is the type of hospital and center licensed under chapter 144. In paragraph (a) the phrase "and rules thereunder or the applicable licensure law of any other jurisdiction" is dropped as unnecessary. In paragraph (b) the phrase "and rules thereunder" is dropped as unnecessary. Paragraph (c) rewrites the exceptions to the exemption in list form.
subd. 8	297A.25, subd. 69	Regionwide public safety radio communication system. The phrase "including" is changed to "including, but not limited to." The expiration date is moved directly into the exemption.
subd. 9	297A.25, subd. 46	Sacramental wine. The subdivision was changed to conform to changes in section 340A.316 which is referenced in the subdivision.
subd. 10	297A.25, subd. 24	Nonprofit tickets or admissions. Substitutes the word "organization" for the phrase "an association, corporation, or other group of persons."
subd. 11	297A.25, subd. 30	School tickets or admissions. No language change.
subd. 12	297A.25, subd. 37	YMCA, YWCA, and JCC memberships. The word "including" is changed to "meaning."
subd. 13	297A.256, subd. 1, paragraphs (a), (b), and (d) 297A.01, subd. 3, clause (c) (3) (v)	Fundraising sales by or for nonprofit groups. Section 297A.256, subdivision 1, in current law is now divided into two separate exemptions. This subdivision deals with sales that are not associated with an event sponsored by a nonprofit group, while subdivision 14 deals with admissions and sales at nonprofit-sponsored fundraising events. Paragraph (a) lists what organizations qualify for the exemption, and paragraph (b) lists the limitations put on sales which qualify for the exemption. Qualifying groups in paragraph (a), clause (2), of current law are not listed separately since they are a subset of clause (1). The portion of paragraph (a), clause (2), of current law related to school groups being treated as individual entities for purposes of the \$10,000 cap is in paragraph (c). Paragraph (c) of current law related to a golf tournament held to benefit a nonprofit is moved to paragraph (a) of this subdivision. A grant for certain gum and candy sales by a nonprofit organization, now in 297A.01, subdivision 3, is moved to paragraph (a).
subd. 14	297A.256, subd. 1, paragraph (c)	Fundraising events sponsored by nonprofit groups. This provision is reorganized and split into separate paragraphs. Paragraph (a) lists the basic exemption. Paragraph (b) lists the circumstances under which this exemption does not apply. Paragraph (c) contains the definition of "nonprofit organization" used in this exemption.
subd. 15	297A.256, subd. 2	Statewide amateur athletic games. No language change.
subd. 16	297A.01, subd. 3, clause (k) (part)	Camp fees. Moved from definition to exemption. Rewritten to put in an appropriate form.
297A.71	See below	Construction exemptions. Includes construction exemptions for government, businesses, and individuals. Existing exemptions that have expired or will expire by June 30, 2000 are omitted from the recodification.
subd. 1	297A.25, subd. 1	Scope. The phrase "The gross receipts from the sale and purchase of, and storage, distribution, use, or consumption of" was added to this subdivision so that it would not have to be repeated for each exemption. A provision allowing the exemption, regardless of whether the purchased by the owner, contractor, subcontractor, or builder was added to this subdivision so it would not have to be repeated for each exemption. These phrases are now omitted from the other subdivisions in this section.
subd. 2	297A.25, subd. 16	State convention center. Minor changes made to sentence structure. No language changes.
subd. 3	297A.25, subd. 65	Correctional facilities. Minor changes to sentence structure. A reference to the requirement that the tax be paid up front and a refund applied for under section 297A.75 is added.

Current Cite	Old Law Cite	Action Taken in the Recodification
subd. 4	297A.25, subd. 66	Lake Superior Center. Minor changes made in sentence structure. No language change.
subd. 5	297A.25, subd. 67	Science museum. Minor changes made in sentence structure. No language change.
subd. 6	297A.25, subd. 68	Business incubator and industrial park. Changes made in sentence structure. The phrase "from the taxes imposed under this chapter and from any sales and use tax imposed by a local unit of government, notwithstanding any ordinance or city charter provision" is deleted as redundant since local sales taxes bases must conform to the state tax base. <i>Current law does not explicitly address whether purchases by contractors, subcontractors, and builders qualify for this exemption. This is now explicit due to subdivision 1.</i>
subd. 7	297A.25, subd. 70 clauses (1) and (2)	Alfalfa processing facility. This exemption was originally in one exemption with the wood waste cogeneration facility exemption. We have made them two separate subdivisions. Minor changes made in sentence structure. No language change.
subd. 8	297A.25, subd. 70, clause (3)	Wood waste cogeneration facility. Minor changes made in sentence structure. No language change.
subd. 9	297A.2531	Direct satellite broadcasting facility. Changes made in sentence structure. <i>Current law does not explicitly address whether purchases by contractor, subcontractors and builders qualify for this exemption. This is now explicit due to subdivision 1.</i>
subd. 10	297A.2571	Aircraft heavy maintenance facility. Minor changes made in sentence structure. The phrase "from the taxes imposed under this chapter and from any sales and use tax imposed by a local unit of government, notwithstanding any ordinance or city charter provision" is deleted as redundant since local sales taxes bases must conform to the state tax base.
subd. 11	297A.25, subd. 20	Building materials; disabled veterans. A cross-reference is made regarding the need to pay the tax at time of purchase with the owner filing a claim for refund .
subd. 12	297A.25, subd. 43	Chair lifts, ramps, elevators. A reference to the requirement that the tax be paid at time of purchase and a refund applied for under section 297A.75 is added.
subd. 13	297A.2572	Agricultural processing facility materials. No language change.
subd. 14	297A.2573	Minerals production facility. Minor changes are made in sentence structure. The phrase "from the taxes imposed under this chapter and from any sales and use tax imposed by a local unit of government, notwithstanding any ordinance or city charter provision" is deleted as redundant since local sales taxes bases must conform to the state tax base.
subd. 15	297A.25, subd. 74	Minneapolis convention center. The phrase "from the tax imposed under this chapter and from any sales and use tax imposed by a local unit of government, notwithstanding any ordinance or city charter provision" is deleted as redundant since local sales taxes bases must conform to the state tax base.
subd. 16	297A.25, subd. 75	Rivercentre arena. The phrase "from the tax imposed under this chapter and from any sales and use tax imposed by a local unit of government, notwithstanding any ordinance or city charter provision" is deleted as redundant since local sales taxes bases must conform to the state tax base.
subd. 17	297A.25, subd. 76	Environmental learning center. The phrase "from the tax imposed under this section" is deleted as redundant.
subd. 18	297A.25, subd. 77	Soybean oil processing and refining facility. The phrase "from the sales and use taxes imposed under this chapter" is deleted as redundant.
subd. 19	297A.25, subd. 78	Earle Brown Center. The phrase "from the tax imposed under this section" is deleted as redundant. The expiration date for this exemption is added to the subdivision.
subd. 20	297A.25, subd. 80	Construction materials and supplies; beef processing facility. Minor changes are made in sentence structure.

Current Cite	Old Law Cite	Action Taken in the Recodification
subd. 21	297A.25, subd. 82	Construction material and equipment; biomass electrical generating facility. The phrase "from the sales and use taxes imposed under this chapter" is deleted as redundant.
297A.72	297A.10 and 297A.11	Exemption certificates. Subdivision 1 recodifies section 297A.10. The phrase "who holds the permit provided for in section 297A.06" is deleted. Subdivision 2 recodifies section 297A.11. The language is reordered and restructured into a list enumerating what must be contained on the exemption certificate. The phrase "or meets the requirement of section 289A.07" is added. Section 289A.07 outlines the requirements for electronic signatures.
297A.73	297A.12	Improper use of item obtained with exemption certificate. Minor changes to language and sentence structure are made.
297A.74	297A.13	Commingling exemption certificate items. Language is simplified. The statement that the other fungible goods are "of such similarity that the identity of the constituent goods in the commingled mass can not be determined" is deleted and replaced with the phrase "similar fungible goods."
297A.75	297A.15, subd. 5, 6, and 7	Refund; appropriation. All the refunds for various exemptions are contained in this section. The refund language is reordered as indicated to eliminate a lot of repetitive language in current law. Subdivision 1 lists each exemption in which the tax must be paid at the time of sale and a refund requested. Subdivision 2 lists who must apply for each refund in subdivision 1. Subdivision 3 states what must be included in an application for refund and includes the limit on applications for capital equipment purchases to two per calendar year. Subdivision 4 states how interest should be calculated for each refund. Subdivision 5 is the appropriation for all refunds.
297A.76, subd. 1	297A.03, subd. 2, and 297A.18	Computation of sales and use taxes. The separate rounding provisions in the sales tax and use tax are combined in subdivision 1. Minor changes to words and sentence structure are made.
297A.76, subd. 2	297A.03, subd. 3	Uniform tax collection methods; Rules. Minor restructuring to improve readability.
297A.77	297A.023 (part), 297A.03, subd. 1, 297A.16 (part), and 297A.17	Collection of tax at time of sale. Subdivision 1 combines separate sales and use tax provisions stating that the tax must be separately stated and charged where possible. Subdivision 2 contains the receipt requirement from the use tax. Subdivision 3 combines the remittance requirement for both sales and use tax. Subdivision 4 combines separate sales and use tax provisions regarding status of the tax as a debt.
297A.78	297A.15	Liability for use tax; receipt as evidence. No language change.
297A.79	297A.01, subd. 9 (part)	Reporting of gross receipts. The statement that the taxpayer has the option regarding whether to report gross receipts on a cash or accrual basis is moved from the definition section to this administrative section.
297A.80	297A.24, subd. 1	Taxes in other states; offset against use tax. Subdivision 1 of the current law is rewritten to remove archaic language. Subdivision 3 of the current law is deleted since it is redundant; the same issue is addressed under the local sales tax provisions in section 297A.48, subdivision 6 of current law.
297A.81	297A.26	Uncollectible debts; offset against other taxes. A statement is added that explicitly applies section 289A.40, subdivision 2 to this section. Section 289A.40, subdivision 2 provides a time limit on claims for bad debt loss.
297A.82	297A.01, subd. 4, paragraph (g); 297A.25, subd. 14 and 19, and 297A.255	Aircraft; flight equipment; payment of taxes; exemptions. Because aircraft and flight equipment is a group of items that are treated somewhat uniquely under sales tax law it was decided to put all provisions related to this group of sales together in one section.
subd. 1	297A.255, subd. 1	Requirements for registration. Adds a sentence that explicitly states that aircraft are not eligible for an exemption as an occasional sale. This replaces the phrase "Notwithstanding the provisions of section 297A.25, subdivision 12."
subd. 2	297A.255, subd. 2	Payment of tax to dealer. No language change.

Current Cite	Old Law Cite	Action Taken in the Recodification
subd. 3	297A.255, subd. 3	Payment of tax to commissioner. Minor language changes.
subd. 4	297A.25, subd. 14 and 19 and 297A.255, subd. 5	Exemptions. Minor language changes.
subd. 5	297A.255, subd. 4	Exempt purchase certificate. No language change.
subd. 6	297A.01, subd. 4, paragraph (g)	Sales and leases; tax treatment. Minor language changes and sentence restructuring.
297A.83, subd. 1 and 2	297A.04 and 297A.21, subd. 5	Subdivision 1 - Persons applying. The requirements of who must collect the tax is moved to section 297A.66. All who are required to collect the tax under that section must apply for a permit in paragraph (a). Paragraphs (b) and (c) regarding voluntary application by a business and application as required by the commissioner is unchanged. Subdivision 2 - Application requirements. No language changes.
297A.83, subd. 3	297A.21, subd. 6	Commissioner's discretion. Minor language changes.
297A.84	297A.06	Permits. Adds a sentence explaining that a person has a permit if they have an active Minnesota tax identification number. The department no longer issues paper permits.
297A.85	297A.065	Cancellation of permits. Minor language changes.
297A.86	297A.07	Revocation of permits. Minor language changes.
297A.87	297A.041	Flea markets, shows, and other selling events. This provision was rewritten extensively and expanded to include information from the Department of Revenue's revenue notice regarding (1) when event operators must comply; (2) what is acceptable evidence that a seller does not need a permit; and (3) how this provision interacts with the occasional sale exemption.
297A.89	297A.16 (part) and 297A.213	Direct pay permit by purchasers permitted. Subdivision 1 contains the provision in section 297A.213 under current law. Subdivision 2 contains the direct pay provision currently included in section 297A.16 - collection of tax at time of sale. No language changes are made to either subdivision.
297A.90	297A.211	Interstate motor carriers as retailers. This provision is broken up into several subdivisions and headnotes are added to improve readability. Some minor language changes are made.
297A.91	297A.15, subd. 4	Seizure, court review. This very long provision deals with seizure of vehicles used in illegal transport. It is broken in to several subdivisions and clauses to improve readability. Some minor changes are made in language. The definition of common carrier is moved to the definition section since the term is used elsewhere in the chapter.
297A.92	297A.28	Security. This provision deals with requirements that a retailer deposit a security. It is divided into several subdivisions and some minor language changes are made to improve readability.
297A.93	297A.33	Jeopardy assessment and collection. This provision is divided into two paragraphs and multi-clause sentences have been broken up to increase readability.
297A.94	297A.44	Deposit of Revenues. Sentences are restructured to improve readability.
297A.95	297A.022	Coordination of state and local sales taxes. Removes obsolete references to the local option sales tax.
297A.96	297A.141	Local admissions and amusement taxes; exemption for arts organizations. The provision is restructured with some minor language changes.
297A.97	297A.21, subd. 4, paragraph (d)	Outstate retailers; local tax collection not required. No language changes.
297A.98	297A.46	Local governments exempt from local sales taxes. No language changes.

Current Cite	Old Law Cite	Action Taken in the Recodification
297A.99	297A.48	Local sales taxes. Section 297A.48 is reordered so that subdivision 9 in current law becomes subdivision 2. All other subdivisions are renumbered in order. The credit for other local taxes is explicitly limited to local taxes paid to another political subdivision <i>of this state</i> .
297A.991	297A.47	Reporting of sales tax on Minnesota Governments. Breaks the provision into two subdivisions. No language changes.
		Revisor's instructions.
		Repealer.
		Effective date. Except for the revisor's instructions, which are effective July 1, 2000, the act is effective July 1, 2001.

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