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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **968**

February 15, 2007

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The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; exempting grain bins and fencing materials from sales and
1.3 use tax; amending Minnesota Statutes 2006, section 297A.61, subdivision 12.

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

1.5 Section 1. Minnesota Statutes 2006, section 297A.61, subdivision 12, is amended to
1.6 read:

1.7 Subd. 12. **Farm machinery.** (a) "Farm machinery" means new or used machinery,
1.8 equipment, implements, accessories, and contrivances used directly and principally in
1.9 agricultural production of tangible personal property intended to be sold ultimately at
1.10 retail including, but not limited to:

1.11 (1) machinery for the preparation, seeding, or cultivation of soil for growing
1.12 agricultural crops;

1.13 (2) barn cleaners, milking systems, grain dryers, grain bins, fencing materials,
1.14 feeding systems including stationary feed bunks, and similar installations, whether or not
1.15 the equipment is installed by the seller and becomes part of the real property; and

1.16 (3) irrigation equipment sold for exclusively agricultural use, including pumps, pipe
1.17 fittings, valves, sprinklers, and other equipment necessary to the operation of an irrigation
1.18 system when sold as part of an irrigation system, whether or not the equipment is installed
1.19 by the seller and becomes part of the real property.

1.20 (b) Farm machinery does not include:

1.21 (1) repair or replacement parts;

1.22 (2) tools, shop equipment, ~~grain bins, fencing material,~~ communication equipment,
1.23 and other farm supplies;

1.24 (3) motor vehicles taxed under chapter 297B;

2.1 (4) snowmobiles or snow blowers;

2.2 (5) lawn mowers except those used in the production of sod for sale, or garden-type
2.3 tractors or garden tillers; or

2.4 (6) machinery, equipment, implements, accessories, and contrivances used directly in
2.5 the production of horses not raised for slaughter, fur-bearing animals, or research animals.

2.6 **EFFECTIVE DATE.** This section is effective for sales made after June 30, 2007.