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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **1512**

March 1, 2007

Authored by Hortman; Abeler; Peterson, N., and Bunn

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; sales tax; modifying definition relating to transfer of motor
1.3 vehicle by charitable organization; amending Minnesota Statutes 2006, section
1.4 297B.01, subdivision 7.

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

1.6 Section 1. Minnesota Statutes 2006, section 297B.01, subdivision 7, is amended to read:

1.7 Subd. 7. **Sale, sells, selling, purchase, purchased, or acquired.** (a) "Sale," "sells,"
1.8 "selling," "purchase," "purchased," or "acquired" means any transfer of title of any motor
1.9 vehicle, whether absolutely or conditionally, for a consideration in money or by exchange
1.10 or barter for any purpose other than resale in the regular course of business.

1.11 (b) Any motor vehicle utilized by the owner only by leasing such vehicle to others
1.12 or by holding it in an effort to so lease it, and which is put to no other use by the owner
1.13 other than resale after such lease or effort to lease, shall be considered property purchased
1.14 for resale.

1.15 (c) The terms also shall include any transfer of title or ownership of a motor vehicle
1.16 by other means, for or without consideration, except that these terms shall not include:

1.17 (1) the acquisition of a motor vehicle by inheritance from or by bequest of, a
1.18 decedent who owned it;

1.19 (2) the transfer of a motor vehicle which was previously licensed in the names of
1.20 two or more joint tenants and subsequently transferred without monetary consideration to
1.21 one or more of the joint tenants;

1.22 (3) the transfer of a motor vehicle by way of gift between individuals, or gift from a
1.23 limited used vehicle dealer licensed under section 168.27, subdivision 4a, or a charitable
1.24 organization holding a Minnesota vehicle dealer license, to an individual, when the transfer

2.1 is with no monetary or other consideration or expectation of consideration and the parties
2.2 to the transfer submit an affidavit to that effect at the time the title transfer is recorded;

2.3 (4) the voluntary or involuntary transfer of a motor vehicle between a husband and
2.4 wife in a divorce proceeding; or

2.5 (5) the transfer of a motor vehicle by way of a gift to an organization that is exempt
2.6 from federal income taxation under section 501(c)(3) of the Internal Revenue Code, as
2.7 amended through December 31, 1996, when the motor vehicle will be used exclusively for
2.8 religious, charitable, or educational purposes.