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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **1610**

March 1, 2007

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

March 13, 2007

By motion, recalled and re-referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to the Minnesota State Agricultural Society; authorizing the society to  
1.3 retain certain admissions sales tax proceeds; amending Minnesota Statutes 2006,  
1.4 sections 37.13, by adding a subdivision; 289A.31, subdivision 7.

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

1.6 Section 1. Minnesota Statutes 2006, section 37.13, is amended by adding a subdivision  
1.7 to read:

1.8 Subd. 3. Capital improvements. The society shall spend the amount of sales  
1.9 tax retained under section 289A.31, subdivision 7, paragraph (f), exclusively to make  
1.10 capital improvements to state-owned buildings and facilities on the State Fairgrounds.  
1.11 The society shall match the amount retained with an equal amount from proceeds from  
1.12 special assessments levied against commercial exhibits, concessions, and rentals, and  
1.13 other special user fees specifically designated for capital improvements.

1.14 Sec. 2. Minnesota Statutes 2006, section 289A.31, subdivision 7, is amended to read:

1.15 Subd. 7. **Sales and use tax.** (a) The sales and use tax required to be collected by the  
1.16 retailer under chapter 297A constitutes a debt owed by the retailer to Minnesota, and the  
1.17 sums collected must be held as a special fund in trust for the state of Minnesota.

1.18 A retailer who does not maintain a place of business within this state as defined by  
1.19 section 297A.66, subdivision 1, shall not be indebted to Minnesota for amounts of tax that  
1.20 it was required to collect but did not collect unless the retailer knew or had been advised  
1.21 by the commissioner of its obligation to collect the tax.

1.22 (b) The use tax required to be paid by a purchaser is a debt owed by the purchaser  
1.23 to Minnesota.

2.1 (c) The tax imposed by chapter 297A, and interest and penalties, is a personal debt  
2.2 of the individual required to file a return from the time the liability arises, irrespective  
2.3 of when the time for payment of that liability occurs. The debt is, in the case of the  
2.4 executor or administrator of the estate of a decedent and in the case of a fiduciary, that  
2.5 of the individual in an official or fiduciary capacity unless the individual has voluntarily  
2.6 distributed the assets held in that capacity without reserving sufficient assets to pay the tax,  
2.7 interest, and penalties, in which case the individual is personally liable for the deficiency.

2.8 (d) Liability for payment of sales and use taxes includes any responsible person or  
2.9 entity described in the personal liability provisions of section 270C.56.

2.10 (e) Any amounts collected, even if erroneously or illegally collected, from a  
2.11 purchaser under a representation that they are taxes imposed under chapter 297A are  
2.12 state funds from the time of collection and must be reported on a return filed with the  
2.13 commissioner.

2.14 (f) The tax imposed under chapter 297A on sales of tickets to the premises of or  
2.15 events sponsored by the Minnesota State Agricultural Society and conducted on the State  
2.16 Fairgrounds during the period of annual State Fair may be retained by the Minnesota  
2.17 State Agricultural Society if the funds are used and matched as required under section  
2.18 37.13, subdivision 3.

2.19 **EFFECTIVE DATE.** This section is effective for sales and purchases after June  
2.20 30, 2007.