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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 1664

March 12, 2009

Authored by Mullery

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 and use; amending the occasional sales exclusion
1.3 to omit watercraft; amending Minnesota Statutes 2008, sections 86B.401,
1.4 subdivision 12; 297A.67, subdivision 23.

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

1.6 Section 1. Minnesota Statutes 2008, section 86B.401, subdivision 12, is amended to
1.7 read:

1.8 Subd. 12. **Proof of sales tax payment.** (a) A person applying for initial licensing of
1.9 a watercraft, or applying for a duplicate license due to change of ownership as required
1.10 in subdivision 8, must provide a watercraft purchaser's certificate, showing a complete
1.11 description of the watercraft, the seller's name and address, the full purchase price of the
1.12 watercraft, and the trade-in allowance, if any. The certificate must include information
1.13 showing either (1) that the sales and use tax under chapter 297A was paid or (2) the
1.14 purchase was exempt from tax under chapter 297A. The commissioner of public safety,
1.15 in consultation with the commissioner and the commissioner of revenue, shall prescribe
1.16 the form of the certificate.

1.17 (b) The certificate is not required if the applicant provides a receipt, invoice, or other
1.18 document that shows the watercraft was purchased from a retailer maintaining a place of
1.19 business in this state as defined in section 297A.66, subdivision 1.

1.20 (c) If the applicant cannot meet the provisions in either paragraph (a) or (b), the
1.21 applicant must provide a receipt, invoice, or other document from the previous owner
1.22 certifying the amount paid for the watercraft, whether in money or other consideration,
1.23 and remit the applicable use tax along with the license fee.

2.1 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
2.2 June 30, 2009.

2.3 Sec. 2. Minnesota Statutes 2008, section 297A.67, subdivision 23, is amended to read:

2.4 Subd. 23. **Occasional sales.** Isolated and occasional sales in Minnesota not made in
2.5 the normal course of business of selling that kind of property or service are exempt. The
2.6 storage, use, or consumption of property or services acquired as a result of such a sale is
2.7 exempt. This exemption does not apply to sales of tangible personal property primarily
2.8 used in a trade or business or to watercraft licensed under chapter 86B.

2.9 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
2.10 June 30, 2009.