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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH  
SESSION

HOUSE FILE No. **1902**

March 19, 2009

Authored by Davids

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; providing an exemption for items given away;  
1.3 amending Minnesota Statutes 2008, section 297A.68, by adding subdivisions.

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

1.5 Section 1. Minnesota Statutes 2008, section 297A.68, is amended by adding a  
1.6 subdivision to read:

1.7 Subd. 42. Production inputs for goods that are given away. Materials and  
1.8 services used by a manufacturer in producing tangible personal property that is given to  
1.9 another person without any remuneration or other consideration, whether for promotional,  
1.10 charitable, or other purposes, are exempt.

1.11 EFFECTIVE DATE. This section is effective for sales and purchases made after  
1.12 June 30, 2009.

1.13 Sec. 2. Minnesota Statutes 2008, section 297A.68, is amended by adding a subdivision  
1.14 to read:

1.15 Subd. 43. Goods given away without remuneration. Taxable goods that a person  
1.16 purchases, exempt from the tax as a sale for resale, in the normal course of business  
1.17 remain exempt if the person subsequently uses the goods for promotional or charitable  
1.18 purposes without remuneration or other consideration from another person.

1.19 EFFECTIVE DATE. This section is effective for sales and purchases made after  
1.20 June 30, 2009.