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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **2609**

02/29/2012 Authored by Davids, Gottwalt, Fritz and Abeler
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; exempting most purchases by certain nursing
1.3 homes and boarding care homes; amending Minnesota Statutes 2010, section
1.4 297A.70, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2010, section 297A.70, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 18. **Nursing homes and boarding care homes.** (a) All sales, except those
1.9 listed in paragraph (b), to a nursing home licensed under section 144A.02 or a boarding
1.10 care home certified as a nursing facility under title 19 of the Social Security Act are
1.11 exempt if the facility:

1.12 (1) is exempt from federal income taxation pursuant to section 501(c)(3) of the
1.13 Internal Revenue Code; and

1.14 (2) is certified to participate in the medical assistance program under title 19 of the
1.15 Social Security Act, or certifies to the commissioner that it does not discharge residents
1.16 due to the inability to pay.

1.17 (b) This exemption does not apply to the following sales:

1.18 (1) building, construction, or reconstruction materials purchased by a contractor
1.19 or a subcontractor as a part of a lump-sum contract or similar type of contract with a
1.20 guaranteed maximum price covering both labor and materials for use in the construction,
1.21 alteration, or repair of a building or facility;

1.22 (2) construction materials purchased by tax-exempt entities or their contractors to
1.23 be used in constructing buildings or facilities that will not be used principally by the
1.24 tax-exempt entities;

2.1 (3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause
2.2 (2), and prepared food, candy, soft drinks, and alcoholic beverages as defined in section
2.3 297A.67, subdivision 2; and

2.4 (4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except
2.5 as provided in paragraph (c).

2.6 (c) This exemption applies to the leasing of a motor vehicle as defined in section
2.7 297B.01, subdivision 11, only if the vehicle is:

2.8 (1) a truck, as defined in section 168.002; a bus, as defined in section 168.002; or a
2.9 passenger automobile, as defined in section 168.002, if the automobile is designed and
2.10 used for carrying more than nine persons including the driver; and

2.11 (2) intended to be used primarily to transport tangible personal property or residents
2.12 of the nursing home or boarding care home.

2.13 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
2.14 June 30, 2012.