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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2309

05/06/2015 Authored by McDonald, Atkins, Hoppe, Schomacker, Mullery and others
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 a reduced rate for electricity, natural
1.3 or artificial gas, propane, and water sold to restaurants; amending Minnesota
1.4 Statutes 2014, section 297A.62, subdivision 1, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2014, section 297A.62, subdivision 1, is amended to read:

1.7 Subdivision 1. **Generally.** Except as otherwise provided in subdivision 3 or 3a, or in
1.8 this chapter, a sales tax of 6.5 percent is imposed on the gross receipts from retail sales as
1.9 defined in section 297A.61, subdivision 4, made in this state or to a destination in this
1.10 state by a person who is required to have or voluntarily obtains a permit under section
1.11 297A.83, subdivision 1.

1.12 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
1.13 June 30, 2015.

1.14 Sec. 2. Minnesota Statutes 2014, section 297A.62, is amended by adding a subdivision
1.15 to read:

1.16 Subd. 3a. **Restaurant utilities.** (a) For retail sales of electricity, natural or artificial
1.17 gas, propane, and water purchased and used by a restaurant located in this state, the sales
1.18 tax under subdivisions 1 and 1a is imposed on 65 percent of the sales price.

1.19 (b) For purposes of this subdivision, "restaurant" means a facility:

1.20 (1) that is operated for profit;

1.21 (2) where the usual and customary business is the serving of meals to consumers;

1.22 (3) that has a kitchen within the facility; and

1.23 (4) that receives at least 70 percent of its gross receipts from the sale of prepared food.

2.1 (c) For purposes of this subdivision, "prepared food" has the meaning given under
2.2 section 297A.61, subdivision 31.

2.3 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
2.4 June 30, 2015.