

1.1 A bill for an act

1.2 relating to taxation; imposing sales tax on motor vehicle repair parts and supplies;
1.3 amending Minnesota Statutes 2008, section 297A.68, by adding a subdivision.

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. **Motor vehicle repair parts and supplies.** Notwithstanding any other
1.8 law to the contrary, parts and supplies, including paint, that are purchased and used or
1.9 consumed by a motor vehicle repair or body shop business in rendering repair services
1.10 on motor vehicles are exempt. Motor vehicle repair paint and supplies are subject to
1.11 taxation under this chapter as a retail sale, including when the amounts charged for motor
1.12 vehicle repair paint and supplies are determined by a formula generally accepted in the
1.13 motor vehicle repair industry.

1.14 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
1.15 June 30, 2010.