

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 5334

(SENATE AUTHORS: PUTNAM)

DATE
04/04/2024

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Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; sales and use; modifying the exemption for telecommunications
1.3 or pay television services machinery and equipment; amending Minnesota Statutes
1.4 2022, section 297A.68, subdivision 35a.

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

1.6 Section 1. Minnesota Statutes 2022, section 297A.68, subdivision 35a, is amended to read:

1.7 Subd. 35a. **Telecommunications or pay television services machinery and**
1.8 **equipment.** (a) Telecommunications or pay television services machinery and equipment
1.9 purchased or leased for use directly by a telecommunications or pay television services
1.10 provider primarily in the provision of telecommunications or pay television services that
1.11 are ultimately to be sold at retail are exempt, regardless of whether purchased by the owner,
1.12 a contractor, or a subcontractor.

1.13 (b) For purposes of this subdivision, "telecommunications or pay television machinery
1.14 and equipment" includes, but is not limited to:

1.15 (1) machinery, equipment, and fixtures utilized in receiving, initiating, amplifying,
1.16 processing, transmitting, retransmitting, recording, switching, or monitoring
1.17 telecommunications or pay television services, such as computers, transformers, amplifiers,
1.18 routers, bridges, repeaters, multiplexers, and other items performing comparable functions;

1.19 (2) machinery, equipment, and fixtures used in the transportation of telecommunications
1.20 or pay television services, such as radio transmitters and receivers, satellite equipment,
1.21 microwave equipment, fiber, conduit, and other transporting media, but not wire, cable, or
1.22 poles;

2.1 (3) ancillary machinery, equipment, and fixtures that regulate, control, protect, or enable
2.2 the machinery in clauses (1) and (2) to accomplish its intended function, such as auxiliary
2.3 power supply, test equipment, towers, heating, ventilating, and air conditioning equipment
2.4 necessary to the operation of the telecommunications or pay television equipment; and
2.5 software necessary to the operation of the telecommunications or pay television equipment;
2.6 and

2.7 (4) repair and replacement parts, including accessories, whether purchased as spare parts,
2.8 repair parts, or as upgrades or modifications to qualified machinery or equipment.

2.9 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
2.10 30, 2024.