

**Revenue Notice #97-06 has been corrected by Revenue Notice #02-20, please see that notice for the corrected language.**

## **Minnesota revenue notice, number 97-06**

### **Sales and Use Tax - Exemptions for Police Car, Fire Truck, and Ambulance Accessories**

Minnesota Statutes, section 297B.01, subdivision 1, imposes an excise tax on any motor vehicle purchased or acquired that is required to be registered in Minnesota. Vehicles that are exempt from tax and registration fees are listed in Minn. Stat. §§ 297B.03 and 297A.25. These provisions include ambulances licensed under Minn. Stat. § 144.802, municipal fire apparatus, and police patrols. Each of the foregoing must have a general unmistakable appearance to qualify for the exemption.

Also exempt from the tax are accessory items used to initially equip marked police cars, fire trucks and ambulances. These accessory items essentially constitute part of the make-up of a new vehicle, and may be included in the total purchase price of the new vehicle or may be purchased from another vendor after the initial purchase of the vehicle. For example, in the case of marked police cars, items such as radios, gun racks, light bars, and radar units used to initially equip marked police cars are exempt from sales tax.

Minnesota Statutes, section 297A.25, subdivision 11, exempts from tax repair and replacement parts for fire trucks, ambulances, and other emergency and rescue vehicles. However, repair and replacement parts for marked police vehicles are subject to tax since marked police vehicles are not classified by the Department as emergency and rescue vehicles and these items are not specifically exempted.

The exemptions for motor vehicles used in police, emergency or rescue work only include vehicles as defined in Minn. Stat. § 297B.02, subd. 1, which includes only those vehicles registered for use on public highways. This would allow an exemption for trailers, but not allow an exemption for watercraft, aircraft, snowmobiles, or vehicles licensed for off-road use only. This is true even if such vehicles are used in emergency or police work.

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