MOTOR VEHICLE SALES TAX
Mobile Medical Vehicles

March 26, 2012

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 2321 (Gimse), 1st Engrossment, Section 50

	Fund Impact			
	F.Y. 2012	**F.Y. 2013**	**F.Y. 2014**	**F.Y. 2015**
		(000's)		
Highway User Tax Distribution Fund	$0	($18)	$0	$0
Transit Assistance Fund	$0	($12)	$0	$0
Total – All Funds	$0	($30)	$0	$0

Effective retroactively for sales and purchases made after December 31, 2010.

EXPLANATION OF THE BILL

Currently, mobile medical vehicles are subject to the motor vehicle sales tax (MVST). The proposal is to exempt from the MVST the purchase of a motor vehicle used exclusively as a mobile medical unit for the provision of medical or dental services by a federally qualified health center, as defined under title 19 of the Social Security Act, as amended by Section 4161 of the Omnibus Budget Reconciliation Act of 1990.

REVENUE ANALYSIS DETAIL

- There are currently 18 federally qualified health centers, with approximately 45 locations, licensed by the Minnesota Department of Health.
- Based on discussions with personnel at the Association of Community Health Centers, three of the 18 centers have mobile medical or dental vehicles. Each has two vehicles for a total of six vehicles.
- One of the 18 centers purchased two mobile medical vehicles after December 31, 2010.
- Information from the purchaser indicates that the amount of the motor vehicle sales tax paid for the two vehicles was $30,000.
- It is not expected that any of the other health centers will purchase qualifying mobile medical vehicles during the forecast period.
- It is assumed that the refund for the vehicles that qualify retroactively will be paid in fiscal year 2013.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy