

MINNESOTA • REVENUE

SALES AND USE TAX Agricultural Center Admissions

March 31, 2014

Department of Revenue
Analysis of H.F. 3156 (Petersburg) / S.F. 2714 (Rosen)

	Yes	No
DOR Administrative Costs/Savings		X

	Fund Impact			
	<u>F.Y. 2014</u>	<u>F.Y. 2015</u>	<u>F.Y. 2016</u>	<u>F.Y. 2017</u>
		(000's)		
General Fund	(\$12)	(\$2)	(\$2)	(\$2)
Natural Resources and Arts Funds	<u>(\$1)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total – All Funds	(\$13)	(\$2)	(\$2)	(\$2)

Effective retroactively for sales and purchases made after December 31, 2007.

EXPLANATION OF THE BILL

The bill creates a sales and use tax exemption for the sales of tickets or admissions to a performance or event on the premises of a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

An organization would qualify for this exemption if the organization meets the following criteria. First, the organization must have been established to preserve Minnesota's rural agricultural heritage and educate the public about rural history and how farms in Minnesota helped provide food to the nation and the world. Second, the organization's premises must be at least 115 acres. Third, the performance or event must be sponsored or conducted exclusively by volunteers, employees of the organizations, or members of the board of directors of the organization. Fourth, the performance or event must be consistent with the organization's stated purpose.

REVENUE ANALYSIS DETAIL

- It is expected that Farmamerica is the only organization that would qualify for the exemption.
- The Minnesota Agricultural Interpretive Center-Farmamerica provided data on their annual admissions. Their annual admissions were about \$30,000 per year, and the sales taxes on these admissions would be approximately \$2,000.

Source: Minnesota Department of Revenue
Tax Research Division
[www.revenue.state.mn.us/research_stats/Pages/
Revenue-Analyses.aspx](http://www.revenue.state.mn.us/research_stats/Pages/Revenue-Analyses.aspx)

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