DEPARTMENT OF REVENUE

SALES AND USE TAX
Admissions – Nonprofit Agricultural Heritage Organizations

February 25, 2019

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 1083 (Petersburg) / S.F. 1663 (Rosen)

	Fund Impact			
	F.Y. 2020	**F.Y. 2021**	**F.Y. 2022**	**F.Y. 2023**
	(000's)			
General Fund	($10)	($10)	($10)	($10)
Natural Resources and Arts Funds	(negl.)	(negl.)	(negl.)	(negl.)
Total – All Funds	($10)	($10)	($10)	($10)

Effective the day following enactment.

EXPLANATION OF THE BILL

Current Law: Admissions are subject to the sales and use tax unless specifically exempted.

Proposed Law: The bill creates a sales and use tax exemption for the sale of tickets or admissions to certain performances or events on the premises of specific rural agricultural heritage organizations that are tax-exempt under Section 501(c)(3) of the Internal Revenue Code.

A nonprofit organization would qualify for the exemption if it meets four requirements. 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 premises of the nonprofit organization must be at least 115 acres. Third, the performance or event must be sponsored and conducted exclusively by volunteers, employees of the organization, or members of the board of directors of the organization. Fourth, the performance or event must be consistent with the nonprofit purpose of the organization.

REVENUE ANALYSIS DETAIL

- The exemption is expected to apply to a limited number of organizations.
- The estimates are based on information reported on federal Form 990 for nonprofit organizations in Minnesota.

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

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