

2024 SPECIAL TAXES LEGISLATIVE BULLETIN



Appeals, Legal Services, and Disclosure Division
600 N. Robert St.
St. Paul, MN 55146-2220

8/21/24 FINAL

TOBACCO

Expanding definition of “moist snuff.” Minn. Stat. § 297F.01, subd. 10b, was amended to expand the definition of “moist snuff” to include similar tobacco-less products that contain nicotine. Previously, moist snuff was taxable only if the product contained tobacco. Minn. Stat. § 297F.01, subd. 19, was also amended to include “moist snuff” in the definition of “tobacco products.” This makes it explicit that tobacco-less moist snuff is still considered a tobacco product for purposes of chapter 297F. Effective July 1, 2024. 2024 Minn. Laws, Ch. 127, Art. 71, §§ 2-3.

CANNABIS

Disallowed section 280E expenses; cannabis licensees. Minn. Stat. §§ 290.0132, subd. 29 for individuals, and 290.0134, subd. 19 for corporations, were identically amended in two ways. First, because of the legislation’s streamlining of medical-cannabis-related terminology and licensing and because “license holder” now includes all relevant medical and non-medical Office of Cannabis Management licensees, the description of entities qualifying for the subtractions is simplified to “license holder.” Second, the amendments clarify license holders qualify for a subtraction for cannabis or hemp business expenses. Effective May 25, 2024. 2024 Minn. Laws, Ch. 121, Art. 2, §§ 32-33.

Tribal cannabis gross receipts tax exemption. Minn. Stat. § 295.81, subd. 4, was amended to provide an exemption from the cannabis gross receipts tax for sales made by a tribally licensed cannabis business on “Tribally regulated lands” as defined in Minn Stat. § 3.9228. Previously this exemption applied to sales made in “Indian country” as defined in 18 U.S.C. 1151. Effective May 25, 2024. 2024 Minn. Laws, Ch. 121, Art. 2, § 34.

Tribal cannabis sales tax exemption. Minn. Stat. § 297A.67, subd. 39, was amended to provide an exemption from sales tax for sales made by a tribally licensed cannabis business on “Tribally regulated lands” as defined in Minn Stat. § 3.9228. Previously this exemption applied to sales made in “Indian country” as defined in 18 U.S.C. 1151. Effective May 25, 2024. 2024 Minn. Laws, Ch. 121, Art. 2, § 35.

Inputs to a local government taxable cannabis product retailer. Minn. Stat. § 297A.70, subd. 2, was amended to exclude goods and services purchased by a local government as inputs to a taxable cannabis product retailer from the sales-to-government sales and use tax exemption. Effective May 25, 2024. 2024 Minn. Laws, Ch. 121, Art. 2, § 36.