



Equipment Sales Tax Exemption Guidance

Equipment Sales Tax Exemption for GIA Snowmobile Clubs

In 2014, Minnesota Statutes were revised to exempt non-profit snowmobile clubs from paying sales tax on the purchase of machinery or equipment used to maintain and groom grant-in-aid (GIA) trails. Below is guidance for GIA clubs on how to receive this tax exemption.

1. To receive a sales tax exemption you must complete Department of Revenue's Certificate of Exemption (Form ST3) and give it to the seller when purchasing equipment that qualifies as exempt from sales tax.
2. To access Form ST3 with the instructions for how to complete it, click on http://www.revenue.state.mn.us/Forms_and_Instructions/st3.pdf.
3. When purchasing sales tax exempt equipment it is recommended you provide the seller with a signed copy of your club's most current GIA contract plus a signed copy of the agreement you may have with the sponsor. This will add further documentation that your club is qualified to claim the sales tax exemption.
4. For future reference, keep all paperwork associated with the sales tax exempt equipment purchase as part of your club's long term records.

2014 Legislative Language

Minnesota Statutes 2012, section 297A.70, is amended by adding a subdivision to read:

Subd. 19. Nonprofit snowmobile clubs; machinery and equipment. Sales of tangible personal property to a nonprofit snowmobile club that is used primarily and directly for the grooming of state or grant-in-aid snowmobile trails are exempt. The exemption applies to grooming machines, attachments, other associated accessories, and repair parts. A nonprofit snowmobile club is eligible for the exemption under this subdivision if it received, in the current year or in the previous three-year period, a state grant-in-aid maintenance and grooming grant administered by the Department of Natural Resources by applying for the grant with a local unit of government sponsor.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2014.