



Modernizing Our Sales Tax

Goods and Services that Will Remain Exempt from Sales Tax

Governor Dayton's proposal retains sales tax exemptions for some items. Exempting items such as food, clothing items under \$100, and medical care ensures that Minnesota's sales tax remains fair and competitive. The following are examples of goods and services that remain exempt from sales tax under the Governor's proposal.

- » Food
- » Clothing items and apparel less than \$100
- » Medical services, including:
 - Prescription eyeglasses
 - Prescription drugs
 - Hospitals and outpatient surgical centers
 - Chairlifts, ramps, and elevators in homesteads
 - Parts and accessories to make motor vehicles handicapped accessible
- » Nonprofit organizations, including:
 - Fundraising sales
- » Public safety items, including:
 - Firefighters personal protective equipment
 - Public safety radio systems
 - Ambulances leased to private ambulance services
- » Textbooks and personal computers required for school use
- » Residential heating fuels and water services
- » Agricultural items, including:
 - Farm machinery and repair and replacement parts
 - Farm conservation programs
 - Agricultural processing facility
- » Renewable energy systems
 - Wind energy conservation systems
 - Solar energy systems
 - Biosolids processing equipment
- » Veteran's organizations
- » Building materials for residences of disabled veterans
- » Construction materials for low-income housing
- » Mining production materials
- » Capital equipment