

1.1 Senator ..... moves to amend S.F. No. 1318 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2020, section 297A.68, is amended by adding a subdivision  
1.4 to read:

1.5 Subd. 46. Food service establishment equipment. (a) The purpose of the exemption  
1.6 provided by this subdivision is to create parity between the treatment of capital equipment  
1.7 used in the manufacturing industry and food service equipment used for the production of  
1.8 prepared food and beverages. The goal is to provide the same exemption for equipment  
1.9 used by food service establishments in the production of prepared food and furnishing of  
1.10 beverages, as is provided for capital equipment pursuant to subdivision 5 of this section.

1.11 (b) Food service equipment purchased or leased, and used in this state by a food service  
1.12 establishment in the production of prepared food or furnishing of beverages, up to the point  
1.13 the prepared food or beverage is ready for delivery or service to the customer is exempt.

1.14 (c) For purposes of this subdivision, the following terms have the meanings given:

1.15 (1) "food service equipment" means machinery, equipment, fixtures, and supplies used  
1.16 by a food service establishment that is integral to the production of prepared food or the  
1.17 furnishing of beverages that meets the standards imposed under Minnesota Rules, chapter  
1.18 4626. Food service equipment:

1.19 (i) includes cooking utensils, serving utensils, ovens, grills, coolers, microwave ovens,  
1.20 freezers, refrigerators and refrigerator stations, holding cabinets, deep fryers, condiment  
1.21 stations, dishwashers, steamers, coffee machines, ice machines, water heaters, sinks, faucets,  
1.22 food warmers and warming trays, tabletop chaffing equipment, buffets and buffet equipment,  
1.23 self-service condiment equipment, self-service beverage equipment, beer dispensing systems,  
1.24 equipment needed for bar service, and any other item that is integral to the production of  
1.25 prepared food or the furnishing of beverages; and

1.26 (ii) excludes items used by customers such as linens, paper napkins, glasses, cups, mugs,  
1.27 utensils, tables, and chairs. Also excluded are delivery vehicles or any motor vehicles  
1.28 purchased by a food service establishment.

1.29 (2) "catering service" means a business that prepares food and beverages for service in  
1.30 support of an event with a predetermined guest list such as a reception, party, luncheon,  
1.31 conference, ceremony, or trade show;

2.1 (3) "food service establishment" means a restaurant as defined by section 157.15,  
2.2 subdivision 12, a mobile food unit as defined by section 157.15, subdivision 9, or a catering  
2.3 service as defined in this paragraph;

2.4 (4) "furnishing of beverages" means the production of beverages, including alcoholic  
2.5 beverages, by a bartender, server, caterer, or other person employed by a food service  
2.6 establishment;

2.7 (5) "prepared food" has the meaning given in section 297A.61, subdivision 31; and

2.8 (6) "production" means an operation or series of operations where ingredients are changed  
2.9 in form, composition, or condition that results in the creation of prepared food or a beverage.

2.10 (d) For eligible sales and purchases made after December 31, 2019, and before July 1,  
2.11 2021, the tax paid must be refunded in the same manner as provided in Minnesota Statutes,  
2.12 section 297A.75, except that the applicant must be the owner of the food service  
2.13 establishment. Refunds must not be issued until July 1, 2021.

2.14 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
2.15 made after December 31, 2019, and before January 1, 2025.

2.16 **Sec. 2. SALES TAX EXEMPTION FOR CERTAIN PURCHASES RELATED TO**  
2.17 **COVID-19.**

2.18 (a) Notwithstanding Minnesota Statutes, section 298A.50, or any law to the contrary,  
2.19 any materials, supplies, or equipment purchased or leased and used in this state by a food  
2.20 service establishment as defined in Minnesota Statutes, section 297A.68, subdivision 46,  
2.21 to adapt to health guidelines or any executive order related to COVID-19 is exempt.

2.22 (b) The maximum refund allowed under this section is \$1,000 per federal employer  
2.23 identification number or Minnesota sales and use tax account number, whichever number  
2.24 is used to file sales tax returns. A business using a consolidated return to report sales tax  
2.25 information from more than one restaurant location, as provided in Minnesota Statutes,  
2.26 section 289A.11, subdivision 1, paragraph (a), is eligible for a refund of up to \$1,000, per  
2.27 restaurant location reported.

2.28 **EFFECTIVE DATE; APPLICATION.** This section is effective retroactively from  
2.29 March 1, 2020, and applies to sales and purchases made after February 29, 2020, and before  
2.30 January 1, 2022."

2.31 Amend the title accordingly