

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 3, 2002 First Special Session **DATE:** September 18, 2002  
**Version:** As introduced  
**Authors:** Abrams  
**Subject:** Clarifying the sales tax on delivery charges for aggregate and concrete block  
**Analyst:** Pat Dalton, 651-296-7434

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### Overview

In 2001, as part of conformity with the streamlined sales tax project, the definition of sales price was changed to include delivery charges. If a seller provides shipping or delivery as part of the sale of a taxable good, the delivery charge is taxable.

In the regular 2002 session, the legislature passed language to tax delivery of aggregate and concrete block, regardless of whether the delivery was made by the seller or a third party. The intent was to provide a uniform imposition of sales tax on delivery charges for this industry.

This bill provides a technical correction to that language. It clarifies that the tax applies to delivery of aggregate and concrete block only when a taxable sale of these materials occurs. The clarification is retroactive to June 30, 2002.

The bill also includes explicit language on a six-month transition period for contracts entered into prior to the effective date of this law change. This transition is the same as past department administrative practice for similar law changes.