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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3955

04/21/2016 Authored by Bly

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance

1.1 A bill for an act
1.2 relating to taxation; imposing an additional tax on certain large retailers;
1.3 proposing coding for new law in Minnesota Statutes, chapter 290.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **[290.0923] TAX ON LARGE RETAILERS.**

1.6 Subdivision 1. **Imposition.** In addition to any other tax imposed by this chapter
1.7 without regard to this section, a tax is imposed on any entity subject to tax under section
1.8 290.0922, subdivision 1, that owns or operates any large retail store in the state. For a
1.9 large retail store that is leased, the tax is applied only once and is a joint and several
1.10 liability of the owner and the operator-lessee.

1.11 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
1.12 meanings given in this subdivision.

1.13 (b) "Large retail store" means a stand-alone retail establishment with at least 50,000
1.14 square feet of retail space located in a structure where no more than two stories are used
1.15 for retail space accessible to customers and with an adjacent, privately owned parking lot
1.16 for its customers and employees that is 50,000 square feet or more. "Large retail store"
1.17 includes a retail establishment located in a mall or similar facility if the establishment has
1.18 at least 50,000 square feet of retail space managed or operated by a single entity, and
1.19 occupies at least 25 percent of the total retail space in the mall or similar facility.

1.20 (c) "Parking space" means the square footage of space available for parking by
1.21 customers or employees of the large retail store owned or leased by the large retail store
1.22 and controlled by the store for the benefit of its operations. Parking space does not include
1.23 (1) loading, unloading, and delivery areas not generally available for customer parking
1.24 except short-term for purchase pickup, or (2) parking facilities owned by a municipality or

2.1 other entity for general public use. Parking space for a large retail store located in a mall or
2.2 similar facility means only the square footage of parking space dedicated exclusively for the
2.3 use of customers and employees of the large retail store, and excludes all parking accessible
2.4 to customers or employees of all retail establishments located in the mall or similar facility.

2.5 (d) "Retail establishment" means a business that is classified under sector 44-45 in
2.6 the North American Industry Classification System, except for automobile dealers under
2.7 sector 4411, other motor vehicle dealers under sector 4412, and nonstore retailers under
2.8 sector 454.

2.9 (e) "Retail space" means the square footage of space devoted to displaying and
2.10 storing merchandise, including attached merchandise storage space, changing rooms
2.11 and restrooms, areas for processing transactions with customers, and spaces used to
2.12 provide other services that a customer may access without leaving the retail establishment
2.13 including but not limited to an in-store restaurant, photo processing service, or hair salon.
2.14 Retail space does not include administrative and office space, employee break rooms, and
2.15 similar spaces not generally accessible to customers.

2.16 Subd. 3. **Tax rate.** A tax is imposed at the rate of \$..... for every 10,000 square feet
2.17 or portion thereof of retail space in a large retail store in excess of 50,000 square feet and
2.18 at a rate of \$..... for every 10,000 square feet or portion thereof of a large retail store's
2.19 parking space in excess of 50,000 square feet of parking space.

2.20 Subd. 4. **Lien.** Any unpaid tax due under this section is a lien against the property in
2.21 the same manner provided for ad valorem property taxes.

2.22 **EFFECTIVE DATE.** This section is effective for returns filed for taxable years
2.23 beginning after December 31, 2016.