

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-THIRD SESSION**

**S.F. No. 2925**

(SENATE AUTHORS: PUTNAM)

DATE  
03/15/2023

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Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
 1.2 relating to taxation; income and corporate franchise; sales and use; providing a  
 1.3 credit for certain payments to entertainers and a sales and use tax exemption for  
 1.4 certain ticket sales; appropriating money.

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

1.6 Section 1. **SHUTTERED VENUE EXPENSES CREDIT.**

1.7 Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply:

1.8 (1) "eligible taxpayer" means a taxpayer that is a qualifying venue;

1.9 (2) "qualifying venue" means a live venue operator or promoter, theatrical producer, or  
 1.10 live performing arts organization operator as defined under United States Code, title 15,  
 1.11 section 9009a(a)(3), that:

1.12 (i) received a grant or supplemental grant under United States Code, title 15, section  
 1.13 9009a; and

1.14 (ii) paid performers for live performances during the qualifying period;

1.15 (3) "qualifying period" means the period beginning March 1, 2020, and ending before  
 1.16 July 1, 2022;

1.17 (4) "eligible expenses" means expenses paid by a qualifying taxpayer during the  
 1.18 qualifying period for a live performance in Minnesota for which:

1.19 (i) the qualifying venue was required to issue a return to a performer under section  
 1.20 6041(a) of the Internal Revenue Code; and

2.1 (ii) the return was mailed or otherwise transmitted to a performer whose address is in  
2.2 Minnesota; and

2.3 (5) "Internal Revenue Code" has the meaning given in Minnesota Statutes, section  
2.4 290.01, subdivision 31.

2.5 Subd. 2. **Credit allowed; refundable.** (a) An eligible taxpayer is allowed a credit against  
2.6 the tax imposed by Minnesota Statutes, chapter 290, equal to the eligible expenses paid in  
2.7 a taxable year.

2.8 (b) If the amount of credit that an eligible taxpayer is allowed under this section exceeds  
2.9 the eligible taxpayer's tax liability under this chapter, the commissioner of revenue shall  
2.10 refund the excess to the eligible taxpayer.

2.11 Subd. 3. **Partnerships; multiple owners.** Credits granted to a partnership, limited  
2.12 liability company taxed as a partnership, S corporation, or multiple owners of property are  
2.13 passed through to the partners, members, shareholders, or owners, respectively, pro rata to  
2.14 each partner, member, shareholder, or owner based on their share of the entity's assets or  
2.15 as specially allocated in their organizational documents or any other executed agreement,  
2.16 as of the last day of the taxable year.

2.17 Subd. 4. **Application; manner of claiming.** The commissioner of revenue shall prescribe  
2.18 the manner in which the credit may be claimed.

2.19 Subd. 5. **Appropriation.** An amount sufficient to pay the refunds required by this section  
2.20 is appropriated to the commissioner of revenue from the general fund.

2.21 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
2.22 after December 31, 2019, and before January 1, 2023.

2.23 Sec. 2. **TEMPORARY SALES AND ENTERTAINMENT TAXES REFUND.**

2.24 Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply:

2.25 (1) "qualifying venue" means a live venue operator or promoter, theatrical producer, or  
2.26 live performing arts organization operator as defined under United States Code, title 15,  
2.27 section 9009a(a)(3), that:

2.28 (i) received a grant or supplemental grant under United States Code, title 15, section  
2.29 9009a; and

2.30 (ii) paid performers for a live performance during the qualifying period; and

3.1 (2) "qualifying period" means the period beginning March 1, 2020, and ending before  
3.2 July 1, 2022.

3.3 Subd. 2. **Exemption.** The sale and purchase of the privilege of admission as defined  
3.4 under Minnesota Statutes, section 297A.61, subdivision 3, paragraph (g), clause (1), to a  
3.5 qualifying venue during the qualifying period is exempt.

3.6 Subd. 3. **Application; refund; appropriation.** By October 1, 2023, a qualifying venue  
3.7 must apply for a refund of sales taxes collected and remitted pursuant to Minnesota Statutes,  
3.8 section 297A.77, during the qualifying period. The provisions of Minnesota Statutes, section  
3.9 289A.50, subdivisions 2 and 2a, do not apply to refunds issued to vendors under this section.  
3.10 An amount sufficient to make refunds under this section is appropriated to the commissioner  
3.11 of revenue from the general fund.

3.12 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
3.13 made after February 28, 2020, and before July 1, 2022.