

Fire Fighting, Police, and Emergency Equipment

135

Sales Tax
Fact Sheet

Volunteer fire departments

Volunteer fire departments are independent nonprofit associations. To be exempt from sales and use tax, the volunteer fire department must be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and have been granted exempt status from the Minnesota Department of Revenue.

To claim exemption the volunteer fire department must give its supplier a fully completed Certificate of Exemption, Form ST3, and use the applicable reason for exemption.

Fire departments operated by local governments are not volunteer fire departments even if they are staffed by volunteers. To be considered separate from the local government, the fire department must have its own constitution or articles of incorporation.

Fire fighting equipment

All fire fighting equipment sold to volunteer fire departments is exempt from sales tax if the equipment is used exclusively to prevent fire or to protect community property from fire. This includes all safety gear and personal protective gear and clothing.

Items that are not used exclusively to prevent fires or to protect property in the community from fire are taxable. For example, a washing machine used to wash fire protection clothing is taxable.

Fire trucks and vehicles

Volunteer fire departments do not pay sales tax on fire trucks, pumper trucks, hook and ladder trucks, trailers, or on components used to assemble them. Accessories, replacement parts, and repair parts are also exempt.

Water

Water used by a volunteer fire department to fight fires or protect property is not taxable. Water used for general purposes, such as washing fire trucks or cleaning the fire station, is taxable.

Municipal fire departments

The exemptions for municipal fire departments are more limited than the exemptions for voluntary fire departments and are explained below.

Municipal fire departments are operated by local governments (cities or counties, but not the state). They may be staffed by volunteers, but are operated by the local government instead of a separate nonprofit corporation.

To claim exemption, the municipal fire department must give the seller a fully completed Certificate of Exemption, Form ST3.

Fire trucks and emergency rescue vehicles

Municipal fire departments do not pay sales tax on fire trucks, pumper trucks, hook and ladder trucks, and clearly marked trailers. Also exempt are components used to *assemble* or *initially equip* these vehicles, or items that are permanently attached to them. *Replacement and repair parts* for these vehicles are also exempt, including parts and accessories that upgrade or modify the vehicle. (For *replacement accessories*, see section below). Examples include:

- built-in radios
- emergency lighting (mounted on vehicle)
- fire hoses
- fittings
- gated wyes
- nozzles
- valves
- foam unit

Taxable replacement accessories

The following are examples of accessory items that are exempt when initially equipping an emergency rescue vehicle. However, *replacement* of these items is taxable.

- axes
- canteens
- cutters
- flashlights
- first aid kits and medical supplies
- hurst tools
- ladders
- pike poles
- portable generators
- portable radios
- rams
- tents
- tire chains

Personal protective gear

Firefighters personal protective equipment is not taxable when purchased or authorized by and for the use of an organized fire department, fire protection district, or fire company that provides fire protection to the state or a political subdivision.

Personal protective equipment includes:

- boots
- bunker coats and pants (including suspenders)
- canister filter masks
- gloves
- goggles
- head covers and hoods
- helmets (including chin straps, face shields and neck covers)
- optical and thermal imaging search devices
- personal alert safety systems
- protective coveralls
- self-contained breathing apparatuses
- spanner belts
- wildfire jackets
- all safety equipment required by the Occupational Safety and Health Administration

Uniforms

Uniforms normally worn in the station house and on the street are classified as clothing even if they are chemically treated or made from fire retardant fabric. Clothing is exempt regardless of who buys it.

Water

Municipal fire departments pay sales tax on all water purchases. If the local government owns its own water utility, use tax is owed only on the inputs used to provide the water.

Fuel

Fuel purchased by a government for use in fire apparatus is exempt.

Fire extinguishers

Refilling, checking, and tagging fire extinguishers are nontaxable services.

Sales by fire departments

If a municipal fire department makes sales of surplus equipment or other tangible items on a regular basis, these sales are taxable. See Fact Sheet 132, Occasional Sales of Business Equipment and Goods, for more information.

Ambulance services

Sales or leases of **ambulances** to an ambulance service licensed under Section 144E.10 (public or private) are not taxable. Accessory items used to initially equip ambulances and repair and replacement parts for ambulances are exempt.

Effective July 1, 2008, any motor vehicle purchased by an ambulance service licensed under Section 144E.10 is exempt if it is equipped and specifically intended for emergency response. Repair and replacement parts for these vehicles are also exempt when purchased by an ambulance service licensed under Section 144E.10. Examples are:

- a first responder vehicle, or
- a vehicle in a rural area, that is equipped with medical equipment and supplies but is not an ambulance, if purchased by an ambulance service licensed under Section 144E.10.

The exemption applies only to purchases of motor vehicles. It does not apply to leases of motor vehicles or to purchases and leases of planes, boats, snowmobiles, etc.

Supplies and equipment used by an ambulance service are exempt if they are used in the course of providing medical care.

Fuel for use in an ambulance, both air and ground, is exempt.

To claim exemption, the ambulance service must give the seller a fully completed Certificate of Exemption, Form ST3.

Police departments

To claim exemption, the police departments must give the seller a fully completed Certificate of Exemption, Form ST3.

Marked police patrol vehicles are not taxable since they are not required to be registered. If the owner of the vehicle chooses to register the marked vehicle with the Department of Public Safety, no sales tax will be collected. Accessory items used to *initially equip* these vehicles also are not taxable. For example, radios, gun racks, light bars, and radar units to initially equip marked police cars are exempt.

Unmarked police cars and other unmarked patrol cars are taxable.

Repair and replacement parts for both marked and unmarked police vehicles are taxable.

All purchases of **bullet-resistant body armor that provides ballistic and trauma protection** by law enforcement agencies or licensed peace officers are not taxable.

Fuel purchased by the state or a local government for use in marked police vehicles is exempt.

Most **other** purchases by police departments are taxable. Taxable purchases include guns, holsters, ammunition, handcuffs, badges, DARE supplies, fingerprint kits and supplies, flares, barrier tape, scanners, traffic counters, squad supplies and police dogs.

Other vehicles

The following are *not* considered to be emergency rescue vehicles, even if used for emergency, fire, or police work. Tax applies when these items are purchased or leased. Also, tax applies to repair and replacement parts.

- aircraft
- snowmobiles
- watercraft
- vehicles licensed only for off-road use

Fire chief cars and also **marked patrol cars** are not taxable when purchased or leased. However, since they are not considered to be emergency *rescue* vehicles, tax applies to all *repair and replacement parts*.

Emergency vehicles owned by **private** entities such as airports and mining companies are taxable—except for ambulances licensed under section 144E.10.

Fuel is exempt when purchased by a state or local government for use in a vehicle that is exempt. For example, fuel for a fire chief car or a marked patrol car is exempt. Fuel is taxable when it is used in aircraft, snowmobiles, watercraft, or other taxable vehicles.

Local sales and use taxes

Although local governments are exempt from *general local sales or use taxes* they must pay other types of local taxes, such as restaurant, liquor or lodging taxes. For more information, refer to Fact Sheet 142, Sales to Governments.

References

M.S. 144E.10, Ambulance service licensing
M.S. 168.012, Vehicles exempt from tax or license fees
M.S. 272.021, Property of volunteer fire department exempt from taxation
M.S. 297A.67, Subd. 28, Ambulance supplies, parts, and equipment
M.S. 297A.67, Subd. 30, Motor vehicles
M.S. 297A.68, Subd. 19, Petroleum products
M.S. 297A.70, Subd. 2, Sales to government
M.S. 297A.70, Subd. 3, Sales of certain goods and services to government
M.S. 297A.70, Subd. 4, Sales to nonprofit groups
M.S. 297A.70, Subd. 6, Ambulances
M.S. 297B.03, Motor vehicle exemptions
Revenue Notice 97-06, Exemptions for Police Car, Fire Truck, and Ambulance Accessories

Other fact sheets you may need:

Petroleum Products, #116
Motor Vehicle Sales and Purchases, #125
Sales to Government, #142
Use Tax for Businesses, #146
Local Sales and Use Taxes, #164