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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3725

03/30/2016 Authored by Vogel
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; sales and use; providing a sales tax exemption for a water
1.3 treatment facility owned by the city of Elko New Market; providing for a refund;
1.4 appropriating money.

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

1.6 Section 1. MUNICIPALLY OWNED WATER TREATMENT FACILITY; CITY
1.7 OF ELKO NEW MARKET.

1.8 Subdivision 1. Exemption. Materials and supplies used in and equipment
1.9 incorporated into a water treatment facility owned and operated by the city of Elko New
1.10 Market are exempt from taxation under Minnesota Statutes, chapter 297A. All purchases
1.11 for this facility must be made after July 1, 2016, and before January 1, 2018.

1.12 Subd. 2. Refund. The tax on purchases exempt under subdivision 1 must be imposed
1.13 and collected as if the rate under Minnesota Statutes, section 297A.62, applied, and then
1.14 refunded in the manner provided in Minnesota Statutes, section 297A.75. The applicant
1.15 must be the city of Elko New Market. If sales tax has been paid on sales and purchases
1.16 exempt under this section prior to the effective date of this section, the city of Elko New
1.17 Market may apply directly to the commissioner of revenue for a refund. The application
1.18 must be in the form and manner required by the commissioner and provide sufficient
1.19 information so the commissioner can verify the amount paid. If the tax was paid by a
1.20 contractor, subcontractor, or builder, the contractor, subcontractor, or builder must furnish
1.21 to the refund applicant a statement including the cost of the exempt items and the taxes
1.22 paid on the items. Interest must be paid on the refund at the rate in Minnesota Statutes,
1.23 section 270C.405, from 90 days after the refund claim is filed with the commissioner.

2.1 Subd. 3. **Appropriation.** The amount required to make the refunds under this
2.2 section is appropriated to the commissioner of revenue.

2.3 **EFFECTIVE DATE.** This section is effective retroactively for purchases made
2.4 after June 1, 2014, and before June 1, 2016.