

SENATE

STATE OF MINNESOTA

EIGHTY-EIGHTH LEGISLATURE

S.F. No. 949

(SENATE AUTHORS: PRATT, Ortman, Dahle and Hall)

DATE	D-PG	OFFICIAL STATUS
03/04/2013	468	Introduction and first reading Referred to Taxes

A bill for an act
relating to taxation; sales and use; providing for a construction exemption for an
industrial measurement manufacturing and controls facility; amending Minnesota
Statutes 2012, sections 297A.71, by adding a subdivision; 297A.75, subdivision 1.
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2012, section 297A.71, is amended by adding a
subdivision to read:

Subd. 45. Industrial measurement manufacturing and controls facility. (a)
Materials and supplies used or consumed in, capital equipment incorporated into,
fixtures installed in, and privately owned infrastructure in support of the construction,
improvement, or expansion of an industrial measurement manufacturing and controls
facility are exempt if:

- (1) the total capital investment made at the facility is at least \$60,000,000;
- (2) the facility employs at least 250 full-time equivalent employees that are not
employees currently employed by the company in the state; and
- (3) the Department of Employment and Economic Development determines that
the expansion, remodeling, or improvement of the facility has a significant impact on
the state economy.

(b) The tax must be imposed and collected as if the rate under section 297A.62,
subdivisions 1 and 1a, applied and refunded in the manner provided in section 297A.75,
only after the following criteria are met:

- (1) a refund may not be issued until the owner of the facility has received
certification from the Department of Employment and Economic Development that the
company meets the requirements in paragraph (a); and

(2) to receive the refund, the owner of the industrial measurement manufacturing and controls facility must initially apply to the Department of Employment and Economic Development for certification no later than one year from the final completion date of construction, improvement, or expansion of the industrial measurement manufacturing and controls facility.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2013, and before December 31, 2015.

Sec. 2. Minnesota Statutes 2012, section 297A.75, subdivision 1, is amended to read:

Subdivision 1. **Tax collected.** The tax on the gross receipts from the sale of the following exempt items must be imposed and collected as if the sale were taxable and the rate under section 297A.62, subdivision 1, applied. The exempt items include:

- (1) capital equipment exempt under section 297A.68, subdivision 5;
- (2) building materials for an agricultural processing facility exempt under section 297A.71, subdivision 13;
- (3) building materials for mineral production facilities exempt under section 297A.71, subdivision 14;
- (4) building materials for correctional facilities under section 297A.71, subdivision 3;
- (5) building materials used in a residence for disabled veterans exempt under section 297A.71, subdivision 11;
- (6) elevators and building materials exempt under section 297A.71, subdivision 12;
- (7) building materials for the Long Lake Conservation Center exempt under section 297A.71, subdivision 17;
- (8) materials and supplies for qualified low-income housing under section 297A.71, subdivision 23;
- (9) materials, supplies, and equipment for municipal electric utility facilities under section 297A.71, subdivision 35;
- (10) equipment and materials used for the generation, transmission, and distribution of electrical energy and an aerial camera package exempt under section 297A.68, subdivision 37;
- (11) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph (a), clause (10);
- (12) materials, supplies, and equipment for construction or improvement of projects and facilities under section 297A.71, subdivision 40;
- (13) materials, supplies, and equipment for construction or improvement of a meat processing facility exempt under section 297A.71, subdivision 41;

3.1 (14) materials, supplies, and equipment for construction, improvement, or
3.2 expansion of an aerospace defense manufacturing facility exempt under section 297A.71,
3.3 subdivision 42, and construction, expansion, or improvement of an industrial measurement
3.4 manufacturing and controls facility under section 297A.71, subdivision 45;

3.5 (15) enterprise information technology equipment and computer software for use in
3.6 a qualified data center exempt under section 297A.68, subdivision 42; and

3.7 (16) materials, supplies, and equipment for qualifying capital projects under section
3.8 297A.71, subdivision 44.

3.9 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
3.10 June 30, 2013.