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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4749

03/26/2026 Authored by Skraba 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 refundable exemption for
1.3 construction materials for certain projects in the city of Ely.

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

1.5 Section 1. CITY OF ELY; HOUSING DEVELOPMENT PROJECT SALES AND
1.6 USE TAX EXEMPTION.

1.7 Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and
1.8 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,
1.9 or remodeling of the Ely Housing Redevelopment Authority workforce housing project,
1.10 Wilderness Escape, in the city of Ely are exempt from sales and use tax under Minnesota
1.11 Statutes, chapter 297A, provided that the materials, supplies, and equipment are purchased
1.12 after April 30, 2026, and before January 1, 2028.

1.13 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
1.14 297A.62, subdivision 1, applied. A refund equal to the tax paid on the gross receipts of
1.15 items exempt under this section must be paid to the applicant. The applicant must be the
1.16 owner of the development project described in paragraph (a). The application must include
1.17 sufficient information to permit the commissioner of revenue to verify the tax paid. If the
1.18 tax was paid by a contractor, subcontractor, or builder, the contractor, subcontractor, or
1.19 builder must furnish to the refund applicant a statement including the cost of the exempt
1.20 items and the taxes paid on the items. The provisions of Minnesota Statutes, sections 289A.40
1.21 and 289A.50, apply to refunds under this section. Refunds for eligible purchases must not
1.22 be issued until after June 30, 2026.

2.1 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
2.2 is appropriated to the commissioner of revenue.

2.3 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
2.4 made after April 30, 2026, and before January 1, 2028.