

A bill for an act

relating to taxes; exempting materials used to construct a renewable energy plant from the sale tax; amending Minnesota Statutes 2008, section 297A.71, by adding a subdivision.

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

Section 1. Minnesota Statutes 2008, section 297A.71, is amended by adding a subdivision to read:

Subd. 42. **Construction materials; renewable energy plants.** (a) Materials and supplies used or consumed in, and equipment incorporated into, the construction of a facility that generates energy from a renewable energy source are exempt if the energy is: (1) sold at retail; (2) sold to a utility for resale to retail customers; or (3) used directly by a business.

(b) For the purposes of this subdivision, "renewable energy source" means energy generated from the following sources:

(1) solar, which has the meaning given to "qualifying solar energy project" in section 216B.2411, subdivision 2, paragraph (d), except that for a "qualifying solar electric project" the 100-kilowatt peak generating capacity limit does not apply;

(2) wind;

(3) hydroelectric with a capacity of less than 100 megawatts;

(4) hydrothermal;

(5) hydrogen, provided that after January 1, 2010, the hydrogen must be generated from the resources listed in this subdivision;

(6) biomass, which includes, without limitation, landfill gas; rotating woody crops; crop residues; an anaerobic digester system; biomass gasification; the predominantly

H.F. No. 2791, as introduced - 86th Legislative Session (2009-2010) [10-4333]

2.1 organic components of wastewater effluent, sludge, or related by-products from publicly
2.2 owned treatment works, but not including incineration of:

2.3 (i) wastewater sludge or related by-products from publicly owned treatment works;

2.4 (ii) mixed municipal solid waste; or

2.5 (iii) refuse-derived fuel from mixed municipal solid waste; and

2.6 (7) a district energy system fueled primarily by biomass.

2.7 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
2.8 June 30, 2010.