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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 504

01/26/2017 Authored by Gunther
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 retroactive exemption and refund
1.3 for construction materials and supplies purchased by certain nonprofit economic
1.4 development corporations; appropriating money.

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

1.6 Section 1. SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS USED
1.7 BY A NONPROFIT ECONOMIC DEVELOPMENT CORPORATION.

1.8 Subdivision 1. Exemption; refund. Materials and supplies used or consumed in and
1.9 equipment incorporated into the construction of a retail development consisting of retail
1.10 space for a grocery store, fueling center, or other retail space by a nonprofit economic
1.11 development corporation that is a 501(c)(3) organization are exempt from sales and use tax
1.12 under Minnesota Statutes, chapter 297A, provided that the development is located in a city
1.13 with no grocery store and the city is at least 20 miles from another city with a grocery store.
1.14 The exemption applies to materials, supplies, and equipment purchased after January 1,
1.15 2013, and before January 1, 2017. The tax must be imposed and collected as if the rate in
1.16 Minnesota Statutes, section 297A.62, applied and the nonprofit economic development
1.17 corporation must apply for the refund of the tax in the same manner as provided under
1.18 Minnesota Statutes, section 297A.75, subdivision 1, clause (11).

1.19 Subd. 2. Appropriation. The amount required to pay the refunds under subdivision 1
1.20 is appropriated from the general fund to the commissioner of revenue.

1.21 EFFECTIVE DATE. This section is effective the day following final enactment and
1.22 applies retroactively to sales and purchases made after January 1, 2013, and before January
1.23 1, 2017.