

A bill for an act

relating to taxation; sales tax; providing a sales tax exemption for materials and supplies used in the construction of a water treatment facility in Minnetonka.

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

Section 1. **MINNETONKA WATER TREATMENT FACILITY; SALES TAX EXEMPTION.**

Materials and supplies used or consumed in and equipment incorporated into the construction of a water treatment facility owned by the city of Minnetonka are exempt from the sales and use tax under Minnesota Statutes, chapter 297A. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded to the city of Minnetonka in the manner provided in section 297A.75.

EFFECTIVE DATE. This section is effective for sales and purchases made before December 31, 2006.