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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2242

03/15/2021 Authored by Gomez, Agbaje, Davnie, Hassan and Noor
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 refundable exemptions for certain
1.3 items purchased for properties damaged during unrest; appropriating money.

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

1.5 Section 1. PROPERTIES DESTROYED OR DAMAGED DURING PROTESTS
1.6 AND UNREST IN MAY AND JUNE OF 2020.

1.7 Subdivision 1. Exemption. (a) The sale and purchase of the following items are exempt
1.8 if the items are used to repair, replace, clean, or otherwise recover from real and personal
1.9 property damage and destruction after May 24, 2020, and before June 16, 2020, resulting
1.10 from protests and unrest in the cities included in the peacetime emergency declared in the
1.11 governor's Executive Order No. 20-64:

1.12 (1) building materials and supplies used or consumed in, and equipment incorporated
1.13 into, the construction, replacement, or repair of real property;

1.14 (2) capital equipment, including retail fixtures, office equipment, and restaurant
1.15 equipment, with a cost of \$5,000 or more and a useful life of more than one year; and

1.16 (3) building cleaning and disinfecting services related to mitigating smoke damage and
1.17 graffiti on and in impacted buildings.

1.18 (b) The exemption in this subdivision only applies to materials, supplies, and services
1.19 purchased to repair, replace, or clean buildings owned by a government entity or by a private
1.20 owner provided the building housed one or more of the following entities at the time of the
1.21 damage or destruction:

2.1 (1) a commercial establishment with an annual gross income of \$30,000,000 or less in
2.2 calendar year 2019;

2.3 (2) a nonprofit organization; or

2.4 (3) a low-income housing development that meets the certification requirements under
2.5 Minnesota Statutes, section 273.128, whether or not the development was occupied at the
2.6 time of its damage or destruction.

2.7 (c) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
2.8 297A.62, subdivision 1, applied and then refunded in the manner provided in Minnesota
2.9 Statutes, section 297A.75, except that the applicant must have been an owner or occupant
2.10 of the real property at the time of its destruction. The exemption under paragraph (a) applies
2.11 to sales and purchases made after May 25, 2020, and before December 1, 2022.

2.12 (d) Both the owner and occupants of the real property at the time of the damage or
2.13 destruction may apply for a refund under this subdivision but may only request a refund for
2.14 the goods and services they paid for, or were contracted and paid for on their behalf. The
2.15 exemption does not apply to purchases of an owner if the owner did not own the real property
2.16 at the time of the damage or destruction.

2.17 Subd. 2. **Appropriation.** The amount necessary to pay the refunds under subdivision 1
2.18 is appropriated from the general fund to the commissioner of revenue.

2.19 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
2.20 made after May 25, 2020.