

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. **414**

1.1 A bill for an act  
1.2 relating to taxation; sales and use; providing refundable exemptions for construction  
1.3 materials for certain school buildings; appropriating money.

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

1.5 Section 1. **CHISHOLM PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**  
1.6 **CONSTRUCTION MATERIALS.**

1.7 Subdivision 1. Exemption; refund. (a) Materials and supplies used in and equipment  
1.8 incorporated into the construction and renovation projects for Chisholm Elementary School,  
1.9 Chisholm High School, and Vaughan Steffensrud School in Independent School District  
1.10 No. 695, Chisholm Public Schools, are exempt from sales and use tax imposed under  
1.11 Minnesota Statutes, chapter 297A. The exemption under this subdivision only applies if  
1.12 materials, supplies, and equipment are purchased after December 31, 2021, and before  
1.13 January 1, 2025.

1.14 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
1.15 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
1.16 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). The commissioner  
1.17 of revenue must not issue refunds under this section before July 1, 2023.

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

1.20 EFFECTIVE DATE. This section is effective retroactively from January 1, 2022, and  
1.21 applies to sales and purchases made after December 31, 2021, and before January 1, 2025.

2.1        **Sec. 2. DULUTH PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**  
2.2        **CONSTRUCTION MATERIALS.**

2.3        Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
2.4        incorporated into the construction of an administrative building and a transportation facility  
2.5        in Independent School District No. 709, Duluth Public Schools, are exempt from sales and  
2.6        use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and  
2.7        equipment are purchased after June 30, 2021, and before January 1, 2025.

2.8        (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
2.9        297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
2.10       under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
2.11       purchases must not be issued until after June 30, 2023.

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

2.14       **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2021, and  
2.15       applies to sales and purchases made after June 30, 2021, and before January 1, 2025.

2.16       **Sec. 3. ELY PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**  
2.17       **CONSTRUCTION MATERIALS.**

2.18       Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
2.19       incorporated into the following projects in Independent School District No. 696, Ely Public  
2.20       Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter  
2.21       297A, if materials, supplies, and equipment are purchased after May 1, 2019, and before  
2.22       January 1, 2024:

2.23       (1) renovations to the elementary school building and high school building; and

2.24       (2) construction of a building that connects the elementary school and high school  
2.25       buildings, containing classrooms, a common area, gymnasium, and administrative offices.

2.26       (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
2.27       297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
2.28       under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
2.29       purchases must not be issued until after June 30, 2023.

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

3.1 **EFFECTIVE DATE.** This section is effective retroactively from May 2, 2019, and  
 3.2 applies to sales and purchases made after May 1, 2019, and before January 1, 2024.

3.3 Sec. 4. **HIBBING PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**  
 3.4 **CONSTRUCTION MATERIALS.**

3.5 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
 3.6 incorporated into the following projects in the city of Hibbing are exempt from sales and  
 3.7 use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and  
 3.8 equipment are purchased after May 1, 2019, and before January 1, 2025:

3.9 (1) the addition of an Early Childhood Family Education Center to an existing elementary  
 3.10 school; and

3.11 (2) improvements to an existing athletic facility in Independent School District No. 701,  
 3.12 Hibbing Public Schools.

3.13 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 3.14 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
 3.15 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 3.16 purchases must not be issued until after June 30, 2023.

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

3.19 **EFFECTIVE DATE.** This section is effective retroactively from May 2, 2019, and  
 3.20 applies to sales and purchases made after May 1, 2019, and before January 1, 2025.

3.21 Sec. 5. **NASHWAUK-KEEWATIN PUBLIC SCHOOLS; SALES TAX EXEMPTION**  
 3.22 **FOR CONSTRUCTION MATERIALS.**

3.23 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
 3.24 incorporated into the construction of a new school building and attached community wellness  
 3.25 center to replace Keewatin Elementary School and the Nashwauk High School in Independent  
 3.26 School District No. 319, Nashwauk-Keewatin Public Schools, are exempt from sales and  
 3.27 use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and  
 3.28 equipment are purchased after December 31, 2021, and before January 1, 2025.

3.29 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 3.30 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
 3.31 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 3.32 purchases must not be issued until after June 30, 2023.

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

4.3 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2022, and  
 4.4 applies to sales and purchases made after December 31, 2021, and before January 1, 2025.

4.5 Sec. 6. **NORTHLAND LEARNING CENTER; SALES TAX EXEMPTION FOR**  
 4.6 **CONSTRUCTION MATERIALS.**

4.7 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
 4.8 incorporated into the renovation and addition to the James Madison Building for Northland  
 4.9 Learning Center, Independent School District No. 6076, are exempt from sales and use tax  
 4.10 imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are  
 4.11 purchased after December 31, 2021, and before January 1, 2025.

4.12 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 4.13 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
 4.14 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 4.15 purchases must not be issued until after June 30, 2023.

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

4.18 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2022, and  
 4.19 applies to sales and purchases made after December 31, 2021, and before January 1, 2025.

4.20 Sec. 7. **NORTHERN LIGHTS ACADEMY; SALES TAX EXEMPTION FOR**  
 4.21 **CONSTRUCTION MATERIALS.**

4.22 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
 4.23 incorporated into the construction of a new building for special education cooperative No.  
 4.24 6096, Northern Lights Academy, are exempt from sales and use tax imposed under Minnesota  
 4.25 Statutes, chapter 297A, if materials, supplies, and equipment are purchased after December  
 4.26 31, 2021, and before January 1, 2025.

4.27 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 4.28 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
 4.29 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 4.30 purchases must not be issued until after June 30, 2023.

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

5.1 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2022, and  
5.2 applies to sales and purchases made after December 31, 2021, and before January 1, 2025.

5.3 Sec. 8. **ROCK RIDGE PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**  
5.4 **CONSTRUCTION MATERIALS.**

5.5 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
5.6 incorporated into the construction of two new elementary school buildings and a new high  
5.7 school building in Independent School District No. 2909, Rock Ridge Public Schools, are  
5.8 exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials,  
5.9 supplies, and equipment are purchased after May 1, 2019, and before January 1, 2024.

5.10 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
5.11 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
5.12 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
5.13 purchases must not be issued until after June 30, 2023.

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

5.16 **EFFECTIVE DATE.** This section is effective retroactively from May 2, 2019, and  
5.17 applies to sales and purchases made after May 1, 2019, and before January 1, 2024.