

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 2499

(SENATE AUTHORS: INGEBRIGTSEN)

DATE
05/06/2021

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Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to taxation; providing sales tax exemptions and grants for disaster recovery
 1.3 related to properties destroyed or damaged by fire in the city of Alexandria;
 1.4 appropriating money; amending Minnesota Statutes 2020, sections 297A.71, by
 1.5 adding a subdivision; 297A.75, subdivision 1.

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

1.7 Section 1. Minnesota Statutes 2020, section 297A.71, is amended by adding a subdivision
 1.8 to read:

1.9 Subd. 53. **Properties destroyed or damaged by a fire.** (a) Building materials and
 1.10 supplies used or consumed in, and equipment incorporated into, the construction or
 1.11 replacement of real property affected by, and capital equipment to replace equipment
 1.12 destroyed in, the fire on February 25, 2020, in the city of Alexandria are exempt. For purposes
 1.13 of this subdivision, "capital equipment" includes durable equipment used in a restaurant for
 1.14 food storage, preparation, and serving.

1.15 (b) Building cleaning and disinfecting services related to mitigating smoke damage in
 1.16 buildings impacted by the fire on February 25, 2020, in the city of Alexandria are exempt.

1.17 (c) The tax must be imposed and collected as if the rate under section 297A.62,
 1.18 subdivision 1, applied and then refunded in the manner provided in section 297A.75. The
 1.19 exemption under paragraph (a) applies to sales and purchases made after February 24, 2020,
 1.20 and before February 28, 2023. The exemption under paragraph (b) applies to sales and
 1.21 purchases made after February 24, 2020, and before January 1, 2021.

1.22 (d) This subdivision expires March 1, 2023.

2.1 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
2.2 final enactment and applies retroactively to sales and purchases made after February 24,
2.3 2020.

2.4 Sec. 2. Minnesota Statutes 2020, section 297A.75, subdivision 1, is amended to read:

2.5 Subdivision 1. **Tax collected.** The tax on the gross receipts from the sale of the following
2.6 exempt items must be imposed and collected as if the sale were taxable and the rate under
2.7 section 297A.62, subdivision 1, applied. The exempt items include:

2.8 (1) building materials for an agricultural processing facility exempt under section
2.9 297A.71, subdivision 13;

2.10 (2) building materials for mineral production facilities exempt under section 297A.71,
2.11 subdivision 14;

2.12 (3) building materials for correctional facilities under section 297A.71, subdivision 3;

2.13 (4) building materials used in a residence for veterans with a disability exempt under
2.14 section 297A.71, subdivision 11;

2.15 (5) elevators and building materials exempt under section 297A.71, subdivision 12;

2.16 (6) materials and supplies for qualified low-income housing under section 297A.71,
2.17 subdivision 23;

2.18 (7) materials, supplies, and equipment for municipal electric utility facilities under
2.19 section 297A.71, subdivision 35;

2.20 (8) equipment and materials used for the generation, transmission, and distribution of
2.21 electrical energy and an aerial camera package exempt under section 297A.68, subdivision
2.22 37;

2.23 (9) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph
2.24 (a), clause (10);

2.25 (10) materials, supplies, and equipment for construction or improvement of projects and
2.26 facilities under section 297A.71, subdivision 40;

2.27 (11) materials, supplies, and equipment for construction, improvement, or expansion of
2.28 a biopharmaceutical manufacturing facility exempt under section 297A.71, subdivision 45;

2.29 (12) enterprise information technology equipment and computer software for use in a
2.30 qualified data center exempt under section 297A.68, subdivision 42;

3.1 (13) materials, supplies, and equipment for qualifying capital projects under section
3.2 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);

3.3 (14) items purchased for use in providing critical access dental services exempt under
3.4 section 297A.70, subdivision 7, paragraph (c);

3.5 (15) items and services purchased under a business subsidy agreement for use or
3.6 consumption primarily in greater Minnesota exempt under section 297A.68, subdivision
3.7 44;

3.8 (16) building materials, equipment, and supplies for constructing or replacing real
3.9 property exempt under section 297A.71, subdivisions 49; 50, paragraph (b); ~~and 51; and~~
3.10 53, paragraph (a); and cleaning services for smoke damaged property under section 297A.71,
3.11 subdivision 53, paragraph (b); and

3.12 (17) building materials, equipment, and supplies for qualifying capital projects under
3.13 section 297A.71, subdivision 52.

3.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.15 Sec. 3. **APPROPRIATION.**

3.16 (a) \$..... in fiscal year is appropriated from the general fund to the commissioner
3.17 of public safety for grants to remediate the effects of the fire in the city of Alexandria on
3.18 February 25, 2020.

3.19 (b) A grant recipient may use the money appropriated under this section for remediation
3.20 costs, including disaster recovery, infrastructure, reimbursement for emergency personnel
3.21 costs, reimbursement for equipment costs, and reimbursement for property tax abatements
3.22 incurred by public or private entities as a result of the fire. This is a onetime appropriation
3.23 and is available until June 30, 2023.

3.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.