

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 3480

(SENATE AUTHORS: WESTROM)

DATE
02/24/2022

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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; sales and use; providing an exemption for fiber and conduit
1.3 used in broadband and Internet access services; appropriating money; amending
1.4 Minnesota Statutes 2020, section 297A.68, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2020, section 297A.68, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 35b. **Fiber and conduit; broadband and Internet access.** To the extent not
1.9 exempt under subdivision 35a, fiber and conduit purchased or leased for use directly by a
1.10 broadband or Internet service provider, primarily in the provision of broadband or Internet
1.11 access services that are ultimately to be sold at retail, are exempt.

1.12 **EFFECTIVE DATE.** Notwithstanding Minnesota Statutes, section 3.192, paragraph
1.13 (c), this section is effective retroactively for sales and purchases made after July 1, 2017.

1.14 Sec. 2. **REFUNDS; FIBER AND CONDUIT.**

1.15 Requests for refunds of purchases exempt under Minnesota Statutes, section 297A.68,
1.16 subdivision 35b, made after July 1, 2017, and before July 1, 2022, must be submitted by
1.17 December 31, 2022. Only the broadband or Internet service provider may apply for a refund.
1.18 The application must include sufficient information to permit the commissioner to verify
1.19 the tax paid. If the tax was paid by a contractor, subcontractor, or builder, the contractor,
1.20 subcontractor, or builder must furnish to the broadband or Internet service provider a
1.21 statement including the cost of the exempt items and the taxes paid on the items. An amount
1.22 sufficient to pay the refunds is appropriated to the commissioner from the general fund. The

- 2.1 provisions of Minnesota Statutes, section 297A.75, subdivision 4, apply to refunds issued
- 2.2 under this section.
- 2.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.