

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 4977

(SENATE AUTHORS: DRAHEIM)

DATE
03/14/2024

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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 a refundable exemption for
1.3 construction materials for certain projects in the St. Clair School District.

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

1.5 Section 1. **ST. CLAIR SCHOOL DISTRICT; SALES TAX EXEMPTION FOR**
1.6 **CONSTRUCTION MATERIALS.**

1.7 Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and
1.8 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,
1.9 or remodeling relating to the following projects in Independent School District No. 75, St.
1.10 Clair Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter
1.11 297A, if materials, supplies, and equipment are purchased after October 31, 2021, and before
1.12 November 1, 2025:

1.13 (1) construction of new classrooms and playgrounds; and

1.14 (2) improvements to roofs, parking lots, mechanical systems, and athletic spaces.

1.15 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
1.16 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects
1.17 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
1.18 purchases must not be issued until after June 30, 2024.

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

1.21 EFFECTIVE DATE. This section is effective retroactively for sales and purchases
1.22 made after October 31, 2021, and before November 1, 2025.