

The Honorable Carla J. Nelson  
Chair, Minnesota Senate Tax Committee  
95 University Ave W.  
St. Paul, MN 55155

Thank you for hearing Senator David Tomassoni's Senate File 4031, providing construction sales tax exemptions for my special education cooperative, Northern Lights Academy (Esko/Cloquet), as well as other Northeastern MN public schools in Ely, Hibbing, Rock Ridge (Virginia/Eveleth/Gilbert), Chisholm, Duluth, Nashwauk-Keewatin, and the Northland Learning Center (Virginia).

I write you in support of this bill and ask that you consider including this effort in any additional tax bills introduced into the Minnesota Senate this Legislative Session.

Under current law, for school districts to receive the benefit of the local government sales tax exemption for construction projects, they must follow a very cumbersome set of rules. The current required process to secure the sales tax exemption adds considerable risk and potential cost to the contracting process, and as a result, many school districts choose not to pursue the sales tax exemption at all.

Senate File 4031 will make it easier for the 8 school district construction projects to take advantage of this exemption, thus allowing for them to reinvest that money back into the projects. This is particularly important right now because of supply chain issues and dramatic inflationary increases in construction costs.

We estimate that this bill would allow for our district to re-invest approximately \$205,000 back into our construction project!

Again, Chair Nelson and Senators, we appreciate you hearing this bill and urge your support.

Sincerely,



Dena Hagen  
Director of Special Education

CC: Senate Tax Committee Members  
Senator David Tomassoni  
Senator Tom Bakk  
Senator Justin Eichorn  
Senator Jason Rarick