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Senate

State of Minnesota

S.F. No. 1402 – Sales tax exemption for construction materials for the McCarrons water treatment plant (as proposed to be amended by the A-1 amendment)

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Under current law, sales to and purchases by local governments are exempt from sales tax. The exemption does not apply, however, to construction materials purchased by a contractor or a subcontractor as a part of a lump-sum or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the project.

This bill provides a sales tax exemption for construction materials and supplies used in and equipment incorporated into the McCarrons water treatments plant in St. Paul for purchases made after December 31, 2020, and before January 1, 2027. Sales tax must be paid at the time of the sale or purchase and then refunded.

Effective retroactively to sales and purchases made after December 31, 2020.