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**Senate**

**State of Minnesota**

**S.F. No. 4176 – Sales tax exemption for construction materials for St. Joseph’s Jacob Wetterling community Center**

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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 St. Joseph’s Jacob Wetterling Community Center, for purchases made after September 1, 2022, and before January 1, 2025. Sales tax must be paid at the time of the sale or purchase and then refunded.

Effective the day following final enactment.