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Senate

State of Minnesota

S.F. No. 473 – Construction materials sales tax exemption; Woodbury Central Park project

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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 materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the Central Park project in Woodbury. Sales tax must be paid upfront and then refunded under provisions of current law. Effective for sales and purchases made after June 30, 2023, and before January 1, 2026.