SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 167

(SENATE AUTHORS: GRUENHAGEN and Coleman)

DATE	D-PG	OFFICIAL STATUS
01/16/2025	86	Introduction and first reading Referred to Taxes
02/03/2025	268	Author added Coleman

A bill for an act

relating to taxation; sales and use; providing a refundable exemption for construction materials for certain projects in the city of Watertown.

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

Section 1. **CITY OF WATERTOWN; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling relating to the following projects in the city of Watertown are exempt from sales and use tax under Minnesota Statutes, chapter 297A:

(1) construction of a new water tower provided that the materials, supplies, and equipment are purchased after April 30, 2024, and before February 1, 2026; and

(2) construction of a wastewater treatment facility provided that the materials, supplies, and equipment are purchased after February 28, 2022, and before July 1, 2025.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivisions 1 and 1a, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2025.

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

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after February 28, 2022, and before February 1, 2026.