

SENATE  
STATE OF MINNESOTA  
NINETY-FOURTH SESSION

S.F. No. 542

(SENATE AUTHORS: HAUSCHILD and Farnsworth)

DATE	D-PG	OFFICIAL STATUS
01/23/2025	158	Introduction and first reading Referred to Taxes

1.1A bill for an act

1.2relating to taxation; sales and use; providing a refundable exemption for

1.3construction materials used in certain housing development projects in St. Louis

1.4County.

1.5BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6Section 1. **HOUSING DEVELOPMENT PROJECTS IN ST. LOUIS COUNTY;**

1.7**SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

1.8Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and

1.9equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,

1.10or remodeling of the following projects in St. Louis County are exempt from sales and use

1.11tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and

1.12equipment are purchased after June 30, 2025, and before July 1, 2027:

1.13(1) an apartment development that includes at least 20 units;

1.14(2) a condominium development that includes at least 40 units; or

1.15(3) a townhome development that includes at least 40 units.

1.16(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section

1.17297A.62, subdivisions 1 and 1a, applied and then refunded in the same manner provided

1.18for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

1.19Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1

1.20is appropriated from the general fund to the commissioner of revenue.

1.21**EFFECTIVE DATE.** This section is effective for sales and purchases made after June

1.2230, 2025, and before July 1, 2027.