SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 1638

(SENATE AUTHORS: HAUSCHILD)

DATE	D-PG	OFFICIAL STATUS
02/20/2025	445	Introduction and first reading Referred to Taxes

A bill for an act

relating to taxation; sales and use; providing a refundable exemption for construction projects in the Lake Superior School District.

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

Section 1. **LAKE SUPERIOR SCHOOL DISTRICT; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the following projects in Independent School District No. 381, Lake Superior School District, are exempt from sales and use tax imposed under applicable statutes if materials, supplies, and equipment are purchased after December 31, 2022, and before January 1, 2026:

(1) an addition and improvements to Minnehaha Elementary School;

(2) an addition and improvements to William Kelly School;

(3) improvements to Two Harbors High School;

(4) improvements to or replacement of the Two Harbors Bus Garage and Silver Bay Bus Garage; and

(5) improvements to athletic facilities.

(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 January 1, 2026.

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 December 31, 2022, and before January 1, 2026.