

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 2727

(SENATE AUTHORS: PUTNAM)

DATE	D-PG	OFFICIAL STATUS
03/20/2025	916	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 materials

1.3used in construction projects in redevelopment districts in the city of St. Cloud.

1.4BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5Section 1. **ST. CLOUD; REDEVELOPMENT DISTRICTS SALES AND USE TAX**

1.6**EXEMPTION.**

1.7Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment

1.8incorporated into private redevelopment projects on parcels listed in paragraph (b) are

1.9exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided the resulting

1.10development is subject to property taxes.

1.11(b) The exemption in this section applies to the following parcels, and the adjacent

1.12parcels, roads, and right-of-ways thereto, with the tax identification numbers:

1.13(1) in Stearns County: 82517020000 (Lady Slipper Catalyst Site); 82515440001 (North

1.14Riverfront Catalyst Site); 82515470000; 82515480000 (Empire Catalyst Site); 82518760015

1.15(Swan Lot Catalyst Site); 82528850020 (Riverboat Lot Catalyst Site); 82528850001 (Former

1.16Herberger's); 82528850065 (Former Herberger's); 82528850005 (Former Herberger's);

1.1782528850053; 82528850050; 82528850048 (Former Press Bar/Cowboy Jack's Lots); and

1.18(2) in Benton County: 170037810 (Transit Oriented Development Catalyst Site);

1.19170058101 (Ace Block Catalyst Site); 170042000; 170041600; 170041100; 170041601;

1.20170041200; 170041800; 170059600 (Star Bank Catalyst Site); 170059300 (Riverfront South

1.21Catalyst Site); 170058300; 170059200; 170058600; 170058800; 170059100; 170058900;

2.1 1700113900 (Transit Oriented Development Catalyst Site); 170060600; 170060700; and
2.2 170060800 (EDA Parking Lot and adjacent sites).

2.3 (c) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
2.4 297A.62, subdivisions 1 and 1a, applied. A refund equal to the tax paid on the gross receipts
2.5 of items exempt under this section must be paid to the applicant. The applicant must be the
2.6 owner of the development described in paragraph (b), clauses (1) and (2). The application
2.7 must include sufficient information to permit the commissioner of revenue to verify the tax
2.8 paid. If the tax was paid by a contractor, subcontractor, or builder, the contractor,
2.9 subcontractor, or builder must furnish to the refund applicant a statement including the cost
2.10 of the exempt items and the taxes paid on the items. The provisions of Minnesota Statutes,
2.11 sections 289A.40 and 289A.50, apply to refunds under this section.

2.12 (d) The exemption under this section applies for sales and purchases made after July 1,
2.13 2025, and before December 31, 2040.

2.14 Subd. 2. **Appropriation; limit on refunds.** The amount required to pay the refunds
2.15 under subdivision 1 is appropriated from the general fund to the commissioner of revenue.
2.16 The commissioner of revenue must not pay more than \$13,000,000 in refunds for purchases
2.17 exempt under this section. Refunds must be processed and issued in the order that complete
2.18 and accurate applications are received by the commissioner of revenue.

2.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.