

S.F. No. 2849 – Modifying sales tax exemption for agriculture processing facility materials

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Under current law, building materials and supplies used for constructing an agriculture processing facility, as defined in local economic development statutes, for which the total capital investment is expected to exceed \$100 million are exempt. “Agricultural processing facility” means, in pertinent part, land, buildings, structures, fixtures, and improvements used or operated primarily for the processing or production of marketable products from agricultural crops, including waste and residues from agricultural crops, but not including livestock or livestock products, poultry or poultry products, or wood or wood products.

Section 1. Agriculture processing facility materials. Modifies the exemption under current law by striking the cross reference to the definition of “agriculture processing facility materials” described above and creating a new definition in the sales tax chapter. Under this definition, milk products would be included, so that building materials and supplies for a facility that processes or produces milk would be exempt.

Effective for sales and purchases made after June 30, 2025.

