

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 2854

(SENATE AUTHORS: CARLSON and Rest)			
DATE	D-PG		OFFICIAL STATUS
03/20/2025	937	Introduction and first reading	
		Referred to Taxes	
04/22/2025	3722	Author added Rest	

1.1

A bill for an act

1.2

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

1.3

construction materials for certain research and development campuses; amending

1.4

Minnesota Statutes 2024, sections 297A.71, by adding a subdivision; 297A.75,

1.5

subdivisions 1, 2, 3.

1.6

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

1.7

Section 1. Minnesota Statutes 2024, section 297A.71, is amended by adding a subdivision

1.8

to read:

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Subd. 55. Research and development campuses. (a) Materials and supplies used or

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consumed in, and equipment incorporated into, the construction or improvement of a research

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and development campus, a customer experience center, and related facilities on site are

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exempt provided that the campus has laboratory space of at least 250,000 square feet and

1.13

the project has a total construction cost of at least \$200,000,000 within a 32-month period.

1.14

(b) The tax must be imposed and collected as if the rate under section 297A.62,

1.15

subdivision 1, applied and then refunded in the same manner provided for projects under

1.16

section 297A.75.

1.17

(c) This subdivision expires March 1, 2028.

1.18

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

1.19

30, 2025.

2.1 Sec. 2. Minnesota Statutes 2024, section 297A.75, subdivision 1, is amended to read:

2.2 Subdivision 1. **Tax collected.** The tax on the gross receipts from the sale of the following
2.3 exempt items must be imposed and collected as if the sale were taxable and the rate under
2.4 section 297A.62, subdivision 1, applied. The exempt items include:

2.5 (1) building materials for an agricultural processing facility exempt under section
2.6 297A.71, subdivision 13;

2.7 (2) building materials for mineral production facilities exempt under section 297A.71,
2.8 subdivision 14;

2.9 (3) building materials for correctional facilities under section 297A.71, subdivision 3;

2.10 (4) building materials used in a residence for veterans with a disability exempt under
2.11 section 297A.71, subdivision 11;

2.12 (5) elevators and building materials exempt under section 297A.71, subdivision 12;

2.13 (6) materials and supplies for qualified low-income housing under section 297A.71,
2.14 subdivision 23;

2.15 (7) materials, supplies, and equipment for municipal electric utility facilities under
2.16 section 297A.71, subdivision 35;

2.17 (8) equipment and materials used for the generation, transmission, and distribution of
2.18 electrical energy and an aerial camera package exempt under section 297A.68, subdivision
2.19 37;

2.20 (9) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph
2.21 (a), clause (10);

2.22 (10) materials, supplies, and equipment for construction or improvement of projects and
2.23 facilities under section 297A.71, subdivision 40;

2.24 (11) enterprise information technology equipment and computer software for use in a
2.25 qualified data center exempt under section 297A.68, subdivision 42;

2.26 (12) materials, supplies, and equipment for qualifying capital projects under section
2.27 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);

2.28 (13) items purchased for use in providing critical access dental services exempt under
2.29 section 297A.70, subdivision 7, paragraph (c);

(14) items and services purchased under a business subsidy agreement for use or consumption primarily in greater Minnesota exempt under section 297A.68, subdivision 44;

(15) building materials, equipment, and supplies for constructing or replacing real property exempt under section 297A.71, subdivisions 49; 50, paragraph (b); and 51;

(16) building materials, equipment, and supplies for qualifying capital projects under section 297A.71, subdivision 52; ~~and~~

(17) building materials, equipment, and supplies for constructing, remodeling, expanding, or improving a fire station, police station, or related facilities exempt under section 297A.71, subdivision 53; and

(18) building materials, equipment, and supplies for construction or improvement of a research and development campus, a customer experience center, and related facilities exempt under section 297A.71, subdivision 55.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2025.

Sec. 3. Minnesota Statutes 2024, section 297A.75, subdivision 2, is amended to read:

Subd. 2. **Refund; eligible persons.** Upon application on forms prescribed by the commissioner, a refund equal to the tax paid on the gross receipts of the exempt items must be paid to the applicant. Only the following persons may apply for the refund:

(1) for subdivision 1, clauses (1), (2), and (13), the applicant must be the purchaser;

(2) for subdivision 1, clause (3), the applicant must be the governmental subdivision;

(3) for subdivision 1, clause (4), the applicant must be the recipient of the benefits provided in United States Code, title 38, chapter 21;

(4) for subdivision 1, clause (5), the applicant must be the owner of the homestead property;

(5) for subdivision 1, clause (6), the owner of the qualified low-income housing project;

(6) for subdivision 1, clause (7), the applicant must be a municipal electric utility or a joint venture of municipal electric utilities;

(7) for subdivision 1, clauses (8), (11), and (14), the owner of the qualifying business;

(8) for subdivision 1, clauses (9), (10), (12), (16), and (17), the applicant must be the governmental entity that owns or contracts for the project or facility; and

(9) for subdivision 1, ~~clause~~ clauses (15) and (18), the applicant must be the owner or developer of the building or project.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2025.

Sec. 4. Minnesota Statutes 2024, section 297A.75, subdivision 3, is amended to read:

Subd. 3. **Application.** (a) The application must include sufficient information to permit the commissioner to verify the tax paid. If the tax was paid by a contractor, subcontractor, or builder, under subdivision 1, clauses (3) to (12) or (14) to ~~(17)~~ (18), the contractor, subcontractor, or builder must furnish to the refund applicant a statement including the cost of the exempt items and the taxes paid on the items unless otherwise specifically provided by this subdivision. The provisions of sections 289A.40 and 289A.50 apply to refunds under this section.

(b) An applicant may not file more than two applications per calendar year for refunds for taxes paid on capital equipment exempt under section 297A.68, subdivision 5.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2025.