

**Subject** Construction sales tax exemption; various schools

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### Overview

H.F. 2786 provides sales tax construction exemptions for materials and supplies used in and equipment incorporated into a number of school construction projects. For all projects in the bill, the tax must be paid at the time of purchase and the school district must apply for a refund. Amounts sufficient to pay the sales tax refunds are appropriated to the commissioner of revenue.

This bill would provide an exemption for projects in the following schools and school districts: Duluth Public Schools, Ely Public Schools, Hibbing Public Schools, Rock Ridge Public Schools, Chisholm Public Schools, Nashwauk-Keewatin Public Schools, Northland Learning Center, and Northern Lights Academy.

### Summary

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| 1 | <b>Duluth Public Schools.</b><br>Provides a construction sales tax exemption for the construction of an administrative and transportation facility in the Duluth Public School District, if materials, supplies, and equipment are purchased after June 30, 2021, and before January 1, 2025. Refunds may not be issued until after June 30, 2022.                    |
| 2 | <b>Ely Public Schools.</b><br>Provides a construction sales tax exemption for renovations and construction to an elementary school building, high school building, and a connecting building between the two, if materials, supplies, and equipment are purchased after May 1, 2019, and before January 1, 2024. Refunds may not be issued until after June 30, 2022. |
| 3 | <b>Hibbing Public Schools.</b><br>Provides a construction sales tax exemption for an addition to the Early Childhood Family Education Center and improvements to an existing athletic facility in the   |

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|   | district, if materials, supplies, and equipment are purchased after May 1, 2019, and before January 1, 2025. Refunds may not be issued until after June 30, 2022.   |
| 4 | <b>Rock Ridge Public Schools.</b><br>Provides a construction sales tax exemption for construction of two elementary school buildings and one high school building if materials, supplies, and equipment are purchased after May 1, 2019, and before January 1, 2024. Refunds may not be issued until after June 30, 2022.   |
| 5 | <b>Chisholm Public Schools.</b><br>Provides a construction sales tax exemption for construction and renovations for Chisholm Elementary School, Chisholm High School, and Vaughan Steffensrud School in the Chisholm Public School District if materials, supplies, and equipment are purchased after December 31, 2021, and before January 1, 2025. Refunds may not be issued until after June 30, 2022. |
| 6 | <b>Nashwauk-Keewatin Public Schools.</b><br>Provides a construction sales tax exemption for construction of a new school building and community wellness center in the Nashwauk-Keewatin Public School District if materials, supplies, and equipment are purchased after December 31, 2021, and before January 1, 2025. Refunds may not be issued until after June 30, 2022.                             |
| 7 | <b>Northland Learning Center.</b><br>Provides a construction sales tax exemption for renovations and an addition to the James Madison Building for Northland Learning Center if materials, supplies, and equipment are purchased after December 31, 2021, and before January 1, 2025. Refunds may not be issued until after June 30, 2022.  |
| 8 | <b>Northern Lights Academy.</b><br>Provides a construction sales tax exemption for construction of a new building for special education cooperative Northern Lights Academy if materials, supplies, and equipment are purchased after December 31, 2021, and before January 1, 2025. Refunds may not be issued until after June 30, 2022.   |



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