

1.1 moves to amend H.F. No., (1SS-JC002), as follows:

1.2 Page 20, after line 14, insert:

1.3 "Section 1. Minnesota Statutes 2024, section 295.81, subdivision 2, is amended to read:

1.4 Subd. 2. **Gross receipts tax imposed.** (a) A tax equal to ~~ten~~ 15 percent of gross receipts
1.5 from retail sales in Minnesota of taxable cannabis products is imposed on any taxable
1.6 cannabis product retailer that sells these products to customers. A taxable cannabis product
1.7 retailer may but is not required to collect the tax imposed by this section from the purchaser
1.8 as long as the tax is separately stated on the receipt, invoice, bill of sale, or similar document
1.9 given to the purchaser.

1.10 (b) If a product subject to the tax imposed under this section is included in a bundled
1.11 transaction, the entire sales price of the bundled transaction is subject to the tax imposed
1.12 under this section.

1.13 (c) The tax imposed under this section is in addition to any other tax imposed on the
1.14 sale or use of taxable cannabis products.

1.15 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
1.16 30, 2025."

1.17 Page 21, after line 18, insert:

1.18 "Sec. 4. Minnesota Statutes 2024, section 297A.68, subdivision 42, is amended to read:

1.19 Subd. 42. **Qualified data centers.** (a) Purchases of enterprise information technology
1.20 equipment and computer software for use in a qualified data center, or a qualified refurbished
1.21 data center, are exempt, except that computer software maintenance agreements are exempt
1.22 for purchases made after June 30, 2013. The tax on purchases exempt under this paragraph
1.23 must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied,

and then refunded after June 30, 2013, in the manner provided in section 297A.75. This exemption includes enterprise information technology equipment and computer software purchased to replace or upgrade enterprise information technology equipment and computer software in a qualified data center, or a qualified refurbished data center.

~~(b) Electricity used or consumed in the operation of a qualified data center or qualified refurbished data center is exempt.~~

~~(e)~~ (b) For purposes of this subdivision, "qualified data center" means a facility in Minnesota:

(1) that is comprised of one or more buildings that consist in the aggregate of at least 25,000 square feet, and that are located on a single parcel or on contiguous parcels, where the total cost of construction or refurbishment, investment in enterprise information technology equipment, and computer software is at least \$30,000,000 within a 48-month period. The 48-month period begins no sooner than July 1, 2012, except that costs for computer software maintenance agreements purchased before July 1, 2013, are not included in determining if the \$30,000,000 threshold has been met;

(2) that is constructed or substantially refurbished after June 30, 2012, where "substantially refurbished" means that at least 25,000 square feet have been rebuilt or modified, including:

(i) installation of enterprise information technology equipment; environmental control, computer software, and energy efficiency improvements; and

(ii) building improvements; and

(3) that is used to house enterprise information technology equipment, where the facility has the following characteristics:

(i) uninterruptible power supplies, generator backup power, or both;

(ii) sophisticated fire suppression and prevention systems; and

(iii) enhanced security. A facility will be considered to have enhanced security if it has restricted access to the facility to selected personnel; permanent security guards; video camera surveillance; an electronic system requiring pass codes, keycards, or biometric scans, such as hand scans and retinal or fingerprint recognition; or similar security features.

In determining whether the facility has the required square footage, the square footage of the following spaces shall be included if the spaces support the operation of enterprise information technology equipment: office space, meeting space, and mechanical and other

support facilities. For purposes of this subdivision, "computer software" includes, but is not limited to, software utilized or loaded at a qualified data center or qualified refurbished data center, including maintenance, licensing, and software customization.

~~(d)~~ (c) For purposes of this subdivision, a "qualified refurbished data center" means an existing facility that qualifies as a data center under paragraph (c), clauses (2) and (3), but that is comprised of one or more buildings that consist in the aggregate of at least 25,000 square feet, and that are located on a single parcel or contiguous parcels, where the total cost of construction or refurbishment, investment in enterprise information technology equipment, and computer software is at least \$50,000,000 within a 24-month period.

~~(e)~~ (d) For purposes of this subdivision, "enterprise information technology equipment" means computers and equipment supporting computing, networking, or data storage, including servers and routers. It includes, but is not limited to: cooling systems, cooling towers, and other temperature control infrastructure; power infrastructure for transformation, distribution, or management of electricity used for the maintenance and operation of a qualified data center or qualified refurbished data center, including but not limited to exterior dedicated business-owned substations, backup power generation systems, battery systems, and related infrastructure; and racking systems, cabling, and trays, which are necessary for the maintenance and operation of the qualified data center or qualified refurbished data center.

~~(f)~~ (e) A qualified data center or qualified refurbished data center may claim the exemptions in this subdivision for purchases made either within 20 years of the date of its first purchase qualifying for the exemption under paragraph (a), or by June 30, 2042, whichever is earlier.

~~(g)~~ (f) The purpose of this exemption is to create jobs in the construction and data center industries.

~~(h)~~ (g) This subdivision is effective for sales and purchases made before July 1, 2042.

~~(i)~~ (h) The commissioner of employment and economic development must certify to the commissioner of revenue, in a format approved by the commissioner of revenue, when a qualified data center has met the requirements under paragraph (c) or a qualified refurbished data center has met the requirements under paragraph (d). The certification must provide the following information regarding each qualified data center or qualified refurbished data center:

(1) the total square footage amount;

(2) the total amount of construction or refurbishment costs and the total amount of qualifying investments in enterprise information technology equipment and computer software;

(3) the beginning and ending of the applicable period under either paragraph (c) or (d) in which the qualifying expenditures and purchases under clause (2) were made, but in no case shall the period begin before July 1, 2012; and

(4) the date upon which the qualified data center first met the requirements under paragraph (c) or a qualified refurbished data center first met the requirements under paragraph (d).

~~(i)~~ (i) Any refund for sales tax paid on qualifying purchases under this subdivision must not be issued unless the commissioner of revenue has received the certification required under paragraph (i) issued by the commissioner of employment and economic development.

~~(j)~~ (j) The commissioner of employment and economic development must annually notify the commissioner of revenue of the qualified data centers that are projected to meet the requirements under paragraph (c) and the qualified refurbished data centers that are projected to meet the requirements under paragraph (d) in each of the next four years. The notification must provide the information required under paragraph (i), clauses (1) to (4), for each qualified data center or qualified refurbished data center.

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

Page 111, line 11, after the comma, insert "chapter 64,"

Page 115, delete section 3

Page 124, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2024, section 297A.75, subdivision 1, as amended by Laws 2025, chapter 20, section 233, is amended to read:

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

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

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

- 5.1 (3) building materials for correctional facilities under section 297A.71, subdivision 3;
- 5.2 (4) building materials used in a residence for veterans with a disability exempt under
5.3 section 297A.71, subdivision 11;
- 5.4 (5) elevators and building materials exempt under section 297A.71, subdivision 12;
- 5.5 (6) materials and supplies for qualified low-income housing under section 297A.71,
5.6 subdivision 23;
- 5.7 (7) materials, supplies, and equipment for municipal electric utility facilities under
5.8 section 297A.71, subdivision 35;
- 5.9 (8) equipment and materials used for the generation, transmission, and distribution of
5.10 electrical energy and an aerial camera package exempt under section 297A.68, subdivision
5.11 37;
- 5.12 (9) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph
5.13 (a), clause (10);
- 5.14 (10) materials, supplies, and equipment for construction or improvement of projects and
5.15 facilities under section 297A.71, subdivision 40;
- 5.16 (11) enterprise information technology equipment and computer software for use in a
5.17 qualified data center exempt under section 297A.68, subdivision 42;
- 5.18 (12) materials, supplies, and equipment for qualifying capital projects under section
5.19 297A.71, subdivision 44, paragraphs (a) and (b);
- 5.20 (13) items purchased for use in providing critical access dental services exempt under
5.21 section 297A.70, subdivision 7, paragraph (c);
- 5.22 (14) items and services purchased under a business subsidy agreement for use or
5.23 consumption primarily in greater Minnesota exempt under section 297A.68, subdivision
5.24 44;
- 5.25 (15) building materials, equipment, and supplies for constructing or replacing real
5.26 property exempt under section 297A.71, subdivisions 49; 50, paragraph (b); and 51;
- 5.27 (16) building materials, equipment, and supplies for qualifying capital projects under
5.28 section 297A.71, subdivision 52; ~~and~~
- 5.29 (17) building materials, equipment, and supplies for constructing, remodeling, expanding,
5.30 or improving a fire station, police station, or related facilities exempt under section 297A.71,
5.31 subdivision 53; and

- 6.1 (18) building materials, equipment, and supplies for constructing, remodeling, or
- 6.2 improving a sustainable aviation fuel facility exempt under section 297A.71, subdivision
- 6.3 54.
- 6.4 **EFFECTIVE DATE.** This section is effective the day following final enactment."
- 6.5 Renumber the sections in sequence and correct the internal references
- 6.6 Amend the title accordingly