

**Subject** Sales tax exemption for construction of new single-family residential housing for first-time homebuyers

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### Overview

This bill provides a temporary sales tax exemption for materials, supplies, and equipment used in construction of new single-family residential homes. This exemption is refundable and applies only to the taxes paid on the first \$165,000 of materials, supplies, and equipment used in construction.

The exemption may only be claimed by the owner of the home at the time the materials are purchased. Additionally, to receive the exemption, the owner must demonstrate to the commissioner of revenue that (1) the home was purchased by a first-time homebuyer who occupies the home, and (2) the purchase agreement between the owner and first-time homebuyer reflects the sales tax savings in the purchase price.

This exemption expires July 1, 2033, and all refunds must be issued before this date.

### Summary

Section	Description
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| 1 | <p><b>Construction materials for new single-family home construction.</b></p> <p>Provides a sales tax exemption for construction materials used in the construction of new single-family residential homes. Limits the exemption to taxes paid on the first \$165,000 of materials used in construction of the home.</p> <p>Requires that the exemption be claimed by the owner of the home at the time the materials are purchased. Requires the owner to demonstrate that the home is purchased and occupied by a first-time homebuyer and that the purchase price of the home is reduced by the amount of tax savings. Requires that the sales tax be imposed and refunded by the commissioner of revenue so long as the conditions are met.</p> |
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Section	Description
	This exemption expires July 1, 2033.
2	<b>Tax collected.</b> Requires that the sales tax be imposed and collected as if the sale of the products were taxable.
3	<b>Refunds; eligible persons.</b> Requires that the person who applies to the commissioner of revenue for a refund of sales taxes paid is the owner of the home at the time the materials are purchased.



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