

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 86
Version: With author's amendment H86A3
DATE: February 22, 1999
Authors: Rest and others
Subject: Expanding sales tax exemptions for certain business equipment purchases
Analyst: Pat Dalton, 651-296-7434

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

Expands the current capital equipment exemption for equipment used directly in manufacturing, mining, refining, and computerized data retrieval to include pollution control equipment. Adds a sales tax exemption for all businesses, except electric utilities, for the purchase of solar energy systems.

- 1 **Capital equipment.** Expands the sales tax exemption for capital equipment purchases to include machinery and equipment used to prevent or reduce air, land, water, and noise pollution.
- 2 **Solar energy systems.** Exempts business purchases of solar energy systems, except for systems used by electric utilities for producing electricity for resale.
To qualify a solar energy system must be one of the following:
 - a photovoltaic system with a minimum of five watts generating capacity; or
 - a solar thermal system that meets state building code certification standards.
- 3 **Effective date.** Effective for purchases made after June 30, 1999.