

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 107

DATE: February 1, 2001

Version: As Introduced

Authors: McElroy and Dawkins

Subject: Exemption on building materials and supplies for low-income housing

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

Provides a sales tax exemption on building materials and supplies used in the construction of low-income housing owned by a public housing agency or local housing and redevelopment authority provided that the project meets one of several possible criteria.

Section

- 1 **Construction materials for qualified low-income housing.** Provides a sales tax exemption on building materials and supplies used in the construction of certain low income housing. The exemption applies to purchases by either the owner of the facility or by a contractor.
To qualify the owner of the low-income housing project must be a public housing agency or a housing and redevelopment authority of a political subdivision. In addition, the project must meet one of the following criteria:
 - it must be a housing or mixed-use project in which at least 20 percent of the residential units are qualifying low-income rental housing;
 - it must be a federally assisted low-income housing project financed by a mortgage held or insured by the U.S. Department of Housing and Urban Development under a federal low-income housing program, including the Native American Housing Assistance and Self-Determination Act;
 - it meets all the requirements for a low-income housing credit under the Internal Revenue Code, regardless of whether the project applies for or receives the credit; or
 - it is operated in compliance with the Internal Revenue Service revenue procedure 96-32.
- 2 **Effective date.** Effective for sales and purchases after June 30, 2001.