

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 109

**DATE:** January 24, 2001

**Version:** As introduced

**Authors:** Kuisle and others

**Subject:** Sales tax exemption on building materials for correctional facilities

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### Overview

Changes the current exemption for building materials for correctional facilities to an up-front exemption. Currently, the local government or its contractor must pay the sales tax on the building materials and then the local government applies for a refund. Under this change, the local government or the contractor will be able to purchase the materials tax-exempt. The effective date for the bill is currently for sales and purchases made after June 30, 2001. It is not clear whether tax saving on materials purchased after this date for contracts entered into before this date would be passed on to the local government.

### Section

- 1 **Sales to governments.** Adds a cross-reference to the exemption on building materials for correctional facilities to the general government exemption.
- 2 **Correctional facilities.** Deletes language requiring that the tax must be paid on building materials and supplies for correctional facilities at the time of purchase and refunded as provided.
- 3 **Tax collected.** Deletes a reference to requiring the tax to be paid up-front on building materials for correctional facilities.
- 4 **Refund; eligible person.** Deletes the language stating that the local government must apply for the refund.
- 5 **Application.** Deletes the requirements for an application for refund for these purchases.