

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 183
Version: As introduced

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Authors: Abrams and others

Subject: Eliminating the capital equipment refund

Analyst: Pat Dalton, 651-296-7434

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Overview

This bill would make the capital equipment exemption an upfront exemption, available at the time of purchase. Under current law, the tax must be paid at the time of the purchase and the purchaser must apply for a refund. A business may not file more than two applications for capital equipment refunds in a calendar year. This refund provision dates back to the period when the exemption only applied to capital equipment used in new or expanding production and the exemption applied to only a portion of the tax.

Identical bill: H.F. 336

Section

- 1 **Capital Equipment.** Removes the requirement that the sales tax be imposed at the time of the capital equipment sale with the purchaser filing for a refund.
- 2 **Refund; Appropriation.** Removes all the provisions relating to the application and payment of the capital equipment refund. Renumbers the provisions for the remaining allowed sales tax refunds.