

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 126

**DATE:** April 4, 2003

**Version:** As introduced

**Authors:** Jaros and others

**Subject:** Sales tax exemption - Duluth Convention Center

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### Overview

This bill restates the repealed sales tax exemption for the Duluth Convention Center to expand the exemption to include equipment and contractor purchases. This restatement of the exemption will affect only purchases already made and will result in payment of a refund to the purchaser.

#### Section

**1 State convention center.** Restates the sales tax exemption for the Duluth convention center. This exemption was enacted in 1995, extended in 1998, and repealed in 2001. The restated exemption differs from the original exemption primarily in two respects:

- ▶ The restated exemption extends to "equipment" and to "equipping" the facility, while the original exemption was limited to building materials and supplies for constructing improvements. This will expand the exemption to various items of personal property for the facility that did not become improvements to real property.
- ▶ The restated exemption includes contractor purchases, while the original exemption was limited to purchases by the governmental unit.

**Background information :** The restatements make the Duluth Convention Center exemption consistent with the exemptions provided for Minneapolis Convention Center and the River Centre Arena. However, other public facilities (e.g., Lake Superior Center, Science Museum, and the Earle Brown Heritage Center) that are somewhat similar have had exemptions that were limited to building materials and supplies.

**Section**

- 2**        **Legislative intent.** States section 1 is intended to clarify the original intent of sales tax exemption.
- 3**        **Effective date.** Provides that the bill is effective the day following final enactment and applies to sales made after June 30, 1995, and before July 1, 2001. Note: The original exemption applied through June 30, 2002. It is likely no purchases were made between June 30, 2001, and July 1, 2002.