

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2779

DATE: March 24, 2010

Version: Delete everything amendment (H2779DE1)

Authors: Torkelson

Subject: Expand the sales tax exemption for regionwide public safety radio systems to the entire state

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.

Currently, the purchase of products and services used in the regionwide, 800 megahertz, public safety radio system is exempt in the metropolitan area, the Rochester area, the St. Cloud area, and Itasca County. This bill expands that exemption to the rest of the state. Because of state budget constraints, the tax must be paid upfront in the expansion area then refunded. The exemption begins with sales and purchases after June 30, 2010, but refunds will not be paid until July 1, 2011. The political contribution refund is repealed to offset the cost of the sales tax exemption expansion.