

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2247
Version: As Introduced

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Subject: Exempting public housing authorities from sales tax and making their payments in lieu of property taxes optional

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Section

- 1** **Sales to government.** Extends the local sales tax exemption currently granted to counties, cities, and townships, to all public housing agencies and housing and redevelopment authorities. The exemption applies to purchases used in these agencies' operating budgets; construction materials used in constructing low income housing are already exempt under subd. 23 of the same section of law. Effective July 1, 2014.

- 2** **Optional payments in lieu of taxes.** Eliminates the requirement that public housing projects pay five percent of shelter rents to local governments in lieu of property taxes, and instead allows public housing projects the option of entering into agreements with local taxing jurisdictions to make in-lieu payments, based on shelter rentals or another basis. Requires that these payments not exceed the amount that would otherwise be owed if the project was subject to property taxes.

Effective beginning in calendar year 2015.