

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 3346

DATE: April 8, 2014

Version: With author's amendment (H3346A1)

Authors: Lenczewski

Subject: Sales tax exemption for regional rail authorities

Analyst: Pat Dalton

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/.

Provides a sales tax exemption for regional rail authorities similar to the exemption for counties, cities, and towns. Effective for sales and purchases made after June 30, 2015.

Regional rail authorities are instrumentalities of the counties with their own property tax levy authority. Some are organized as joint powers agreements. Under current law some of the regional rail authorities are receiving a sales tax exemption because their finances are reported with the general county budget to the state auditor, while others are not. This ensures all regional rail authorities receive the same sales tax exemption whether they are reported as part of the general county budget, are organized under a joint powers agreement, or are reporting separately as a special taxing district.