

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2387
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Subject: Accelerating the general sales tax exemption for certain local governments

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Overview

Accelerates the effective date for the sales tax exemption for purchases by (1) special taxing districts except the metropolitan council, (2) instrumentalities of local governments, and (3) all joint powers boards and organizations. The date is moved from January 1, 2017, to January 1, 2016. This undoes the change in effective dates passed in the 2015 special session. Provides a refund mechanism for taxes already paid on purchases made beginning January 1, 2016.

Section

- 1 Sales to government.** Accelerate the effective date from January 1, 2017, to January 1, 2016, for the sales tax exemption for purchases made by (1) special taxing districts except the metropolitan council, (2) instrumentalities of local governments, and (3) all joint powers boards and organizations. The effective date for the exemption for the Metropolitan Council purchases remains January 1, 2017.
- 2 Refunds of taxes paid, local governments.** Provides that the local government entities affected by section 1, that paid taxes on purchases made between January 1, 2016, and January 1, 2017, may apply for a refund. Each governmental entity may only make one application for refund for the entire period and interest on the refund amount will begin accruing 90 days after the refund application is filed.