

**Subject** Sales tax construction exemption for Inver Grove Heights

**Authors** Richardson and others

**Analyst** Pat Dalton

**Date** January 25, 2019

## Overview

Provides a retroactive sales tax exemption for construction materials for a new public safety and fire station facility in the city of Inver Grove Heights. Since the project has started, the tax is paid on the construction materials upfront and the city applies for a refund of the tax.

## Summary

Section	Description
1	<p><b>Inver Grove Heights fire station.</b></p> <p>Allows a sales tax exemption for construction materials, supplies, and equipment in the construction of a new fire station in the city that includes public safety training facilities. The exemption applies to purchases made by the contractor and subcontractors constructing the facility during the time period of July 1, 2018, and December 31, 2020.</p> <p>The tax is paid on the materials at the time of purchase and the city may apply for a refund.</p>
2	<p><b>Tax collected (refund).</b></p> <p>Adds taxes collected under section 1 to the list of taxes for which a refund can be made. The entity that can request the refund for projects listed in this clause of the statute is the city, and the contractor and subcontractors are required to work with the city in order to make sure it has the information needed to make the refund request.</p> <p>Effective the day after final enactment.</p>