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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1793

02/15/2023 Authored by Anderson, P. H.; Davids and Franson
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; sales and use; providing an exemption for fiber and conduit
1.3 used in broadband and Internet access services; appropriating money; amending
1.4 Minnesota Statutes 2022, section 297A.68, by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2022, section 297A.68, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 35b. Fiber and conduit; broadband and Internet access. To the extent not
1.9 exempt under subdivision 35a, fiber and conduit purchased or leased for use directly by a
1.10 broadband or Internet service provider, primarily in the provision of broadband or Internet
1.11 access services that are ultimately to be sold at retail, are exempt.

1.12 EFFECTIVE DATE. This section is effective retroactively for sales and purchases
1.13 made after July 1, 2017.

1.14 Sec. 2. SALES AND USE TAX REFUNDS; FIBER AND CONDUIT.

1.15 Requests for refunds of purchases exempt under Minnesota Statutes, section 297A.68,
1.16 subdivision 35b, made after July 1, 2017, and before July 1, 2023, must be submitted by
1.17 December 31, 2023. Only the broadband or Internet service provider may apply for a refund.
1.18 The application must include sufficient information to permit the commissioner to verify
1.19 the tax paid. If the tax was paid by a contractor, subcontractor, or builder, the contractor,
1.20 subcontractor, or builder must furnish to the broadband or Internet service provider a
1.21 statement including the cost of the exempt items and the taxes paid on the items. An amount
1.22 sufficient to pay the refunds is appropriated to the commissioner from the general fund. The

- 2.1 provisions of Minnesota Statutes, section 297A.75, subdivision 4, apply to refunds issued
- 2.2 under this section.
- 2.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.