

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-FIRST SESSION**

**S.F. No. 1525**

(SENATE AUTHORS: DRAHEIM)

DATE  
02/21/2019

D-PG

Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
 1.2 relating to taxation; sales and use; providing a sales tax exemption for a water  
 1.3 treatment facility owned by the city of Elko New Market; providing for a refund;  
 1.4 appropriating money.

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

1.6 Section 1. **MUNICIPALLY OWNED WATER TREATMENT FACILITY; CITY**  
 1.7 **OF ELKO NEW MARKET.**

1.8 Subdivision 1. **Exemption.** Materials and supplies used in and equipment incorporated  
 1.9 into a water treatment facility owned and operated by the city of Elko New Market are  
 1.10 exempt from taxation under Minnesota Statutes, chapter 297A, regardless of whether the  
 1.11 materials and supplies are purchased by the city or a contractor, subcontractor, or builder.  
 1.12 All purchases for this facility must have been made after June 1, 2014, and before June 1,  
 1.13 2016.

1.14 Subd. 2. **Refund.** The tax on purchases exempt under subdivision 1 must be imposed  
 1.15 and collected as if the rate under Minnesota Statutes, section 297A.62, applied, and then  
 1.16 refunded in the manner provided in Minnesota Statutes, section 297A.75. The applicant  
 1.17 must be the city of Elko New Market. If sales tax has been paid on sales and purchases  
 1.18 exempt under this section prior to the effective date of this section, the city of Elko New  
 1.19 Market may apply directly to the commissioner of revenue for a refund. The application  
 1.20 must be in the form and manner required by the commissioner and provide sufficient  
 1.21 information so the commissioner can verify the amount paid. If the tax was paid by a  
 1.22 contractor, subcontractor, or builder, the contractor, subcontractor, or builder must furnish  
 1.23 to the refund applicant a statement including the cost of the exempt items and the taxes paid

2.1 on the items. Interest must be paid on the refund at the rate in Minnesota Statutes, section  
2.2 270C.405, from 90 days after the refund claim is filed with the commissioner.

2.3 Subd. 3. **Appropriation.** The amount required to make the refunds under this section  
2.4 is appropriated to the commissioner of revenue.

2.5 **EFFECTIVE DATE.** This section is effective retroactively for purchases made after  
2.6 June 1, 2014, and before June 1, 2016.