

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

**S.F. No. 1638**

(SENATE AUTHORS: HAUSCHILD)

DATE  
02/20/2025

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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 refundable exemption for  
1.3 construction projects in the Lake Superior School District.

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

1.5 Section 1. LAKE SUPERIOR SCHOOL DISTRICT; SALES TAX EXEMPTION  
1.6 FOR CONSTRUCTION MATERIALS.

1.7 Subdivision 1. Exemption; refund. (a) Materials and supplies used in and equipment  
1.8 incorporated into the following projects in Independent School District No. 381, Lake  
1.9 Superior School District, are exempt from sales and use tax imposed under applicable  
1.10 statutes if materials, supplies, and equipment are purchased after December 31, 2022, and  
1.11 before January 1, 2026:

1.12 (1) an addition and improvements to Minnehaha Elementary School;

1.13 (2) an addition and improvements to William Kelly School;

1.14 (3) improvements to Two Harbors High School;

1.15 (4) improvements to or replacement of the Two Harbors Bus Garage and Silver Bay  
1.16 Bus Garage; and

1.17 (5) improvements to athletic facilities.

1.18 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
1.19 297A.62, subdivisions 1 and 1a, applied, and then refunded in the same manner provided  
1.20 for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds  
1.21 for eligible purchases must not be issued until after January 1, 2026.

2.1 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
2.2 is appropriated from the general fund to the commissioner of revenue.

2.3 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
2.4 made after December 31, 2022, and before January 1, 2026.