

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

**S.F. No. 3618**

(SENATE AUTHORS: GRUENHAGEN)

DATE  
02/15/2024

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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 sales tax exemption for  
1.3 construction materials for the city of Watertown.

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

1.5 Section 1. **CITY OF WATERTOWN; SALES TAX EXEMPTION FOR**  
1.6 **CONSTRUCTION MATERIALS.**

1.7 Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and  
1.8 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
1.9 or remodeling of a new water tower in the city of Watertown are exempt from sales and use  
1.10 tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and  
1.11 equipment are purchased after April 30, 2024, and before February 1, 2026.

1.12 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
1.13 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
1.14 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

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

1.17 EFFECTIVE DATE. This section is effective for sales and purchases made after April  
1.18 30, 2024, and before February 1, 2026.