

1.1 Senator moves to amend S.F. No. 375 as follows:

1.2 Page 1, after line 6, insert:

1.3 "Section 1. Minnesota Statutes 2024, section 297A.71, is amended by adding a subdivision
1.4 to read:

1.5 Subd. 55. Construction materials purchased by contractors; exemption for certain
1.6 entities. (a) Building, construction, or reconstruction materials, supplies, and equipment
1.7 purchased by a contractor, subcontractor, or builder and used or consumed in or incorporated
1.8 into the construction, remodeling, expansion, or improvement of a specified capital project
1.9 are exempt, provided that the project has been approved by the voters as required under
1.10 section 297A.9901, subdivision 9, and the political subdivision has met the filing and
1.11 imposition requirements under section 297A.9901, subdivision 13.

1.12 (b) For purposes of this section:

1.13 (1) "political subdivision" has the meaning given in section 297A.9901, paragraph (l);
1.14 and

1.15 (2) "specified capital project" has the meaning given in section 297A.9901, paragraph
1.16 (p).

1.17 (c) The tax must be imposed and collected as if the rate under section 297A.62,
1.18 subdivision 1, applied and then refunded in the manner as provided for projects under section
1.19 297A.75, subdivision 1, clause (16).

1.20 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
1.21 30, 2025, for projects meeting the requirements of Minnesota Statutes, section 297A.9901,
1.22 subdivisions 9 and 11.

1.23 Sec. 2. Minnesota Statutes 2024, section 297A.75, subdivision 1, is amended to read:

1.24 Subdivision 1. **Tax collected.** The tax on the gross receipts from the sale of the following
1.25 exempt items must be imposed and collected as if the sale were taxable and the rate under
1.26 section 297A.62, subdivision 1, applied. The exempt items include:

1.27 (1) building materials for an agricultural processing facility exempt under section
1.28 297A.71, subdivision 13;

1.29 (2) building materials for mineral production facilities exempt under section 297A.71,
1.30 subdivision 14;

1.31 (3) building materials for correctional facilities under section 297A.71, subdivision 3;

- 2.1 (4) building materials used in a residence for veterans with a disability exempt under
2.2 section 297A.71, subdivision 11;
- 2.3 (5) elevators and building materials exempt under section 297A.71, subdivision 12;
- 2.4 (6) materials and supplies for qualified low-income housing under section 297A.71,
2.5 subdivision 23;
- 2.6 (7) materials, supplies, and equipment for municipal electric utility facilities under
2.7 section 297A.71, subdivision 35;
- 2.8 (8) equipment and materials used for the generation, transmission, and distribution of
2.9 electrical energy and an aerial camera package exempt under section 297A.68, subdivision
2.10 37;
- 2.11 (9) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph
2.12 (a), clause (10);
- 2.13 (10) materials, supplies, and equipment for construction or improvement of projects and
2.14 facilities under section 297A.71, subdivision 40;
- 2.15 (11) enterprise information technology equipment and computer software for use in a
2.16 qualified data center exempt under section 297A.68, subdivision 42;
- 2.17 (12) materials, supplies, and equipment for qualifying capital projects under section
2.18 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);
- 2.19 (13) items purchased for use in providing critical access dental services exempt under
2.20 section 297A.70, subdivision 7, paragraph (c);
- 2.21 (14) items and services purchased under a business subsidy agreement for use or
2.22 consumption primarily in greater Minnesota exempt under section 297A.68, subdivision
2.23 44;
- 2.24 (15) building materials, equipment, and supplies for constructing or replacing real
2.25 property exempt under section 297A.71, subdivisions 49; 50, paragraph (b); and 51;
- 2.26 (16) building materials, equipment, and supplies for qualifying capital projects under
2.27 section 297A.71, ~~subdivision~~ subdivisions 52 and 55; and
- 2.28 (17) building materials, equipment, and supplies for constructing, remodeling, expanding,
2.29 or improving a fire station, police station, or related facilities exempt under section 297A.71,
2.30 subdivision 53.

3.1 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
3.2 30, 2025, for projects meeting the requirements of Minnesota Statutes, section 297A.9901,
3.3 subdivisions 9 and 11."

3.4 Page 4, line 3, after "(f)" insert "Except as provided in paragraph (g),"

3.5 Page 4, line 5, delete ", except that this" and insert ". The" and after "limit" insert "in
3.6 this paragraph"

3.7 Page 4, line 9, delete everything after "(g)" and insert "A county may impose a tax under
3.8 this section at the maximum rate allowed under paragraph (f) and at the maximum rate
3.9 allowed under section 297A.993."

3.10 Page 4, delete lines 10 to 13

3.11 Page 4, after line 21, insert:

3.12 "(c) "City" means a statutory or home rule charter city located in Minnesota."

3.13 Reletter the paragraphs in sequence

3.14 Page 11, delete lines 17 to 23

3.15 Page 11, delete lines 26 and 27 and insert "(c) A county may impose a tax under this
3.16 section at the maximum rate allowed under paragraph (b) and at the maximum rate allowed
3.17 under section 297A.993."

3.18 Reletter the paragraphs in sequence

3.19 Page 13, line 11, delete "the political subdivision's" and insert "if the political subdivision
3.20 is a city, the city's"

3.21 Page 13, lines 19, 21, and 23, delete "political subdivision" and insert "city"

3.22 Page 14, delete lines 13 to 18 and insert:

3.23 "(c) "Sharing pool" means the contribution share or portion of a contribution share for
3.24 a contributor that is distributed among qualified recipients."

3.25 Page 14, lines 21 and 23, delete "political subdivision" and insert "city"

3.26 Page 14, delete lines 28 to 31

3.27 Page 15, delete lines 6, 7, 18, 23, and 24

3.28 Reletter the paragraphs in sequence

3.29 Page 15, line 13, delete "political subdivision" and insert "city"

- 4.1 Page 15, line 19, delete "(A)" and insert "(i)"
- 4.2 Page 15, line 21, delete "(B)" and insert "(ii)" and after "located" insert "at least partially"
- 4.3 Page 15, line 22, delete "; or" and insert a period
- 4.4 Page 15, line 26, after the period, insert "The commissioner must designate sharing pools
- 4.5 for each contributor such that the contributor has a sharing pool for each county in which
- 4.6 the contributor is located. The commissioner must allot a contributor's contribution share
- 4.7 among each of the contributor's sharing pools in proportion to the contributor's population
- 4.8 that resides in each county."
- 4.9 Page 15, line 29, delete "implemented" and insert "imposed"
- 4.10 Page 16, delete lines 1 to 4 and insert:
- 4.11 "(b) The commissioner must distribute the contribution share in each sharing pool among
- 4.12 qualified recipients such that:
- 4.13 (1) for each contributor's sharing pool for a metropolitan county, the contributor's sharing
- 4.14 pool is distributed among all qualified recipients that are contiguous to the contributor,
- 4.15 proportionally to the share of each qualified recipient's population that resides in the sharing
- 4.16 pool; and
- 4.17 (2) for each contributor's sharing pool for a county outside of the metropolitan area, the
- 4.18 contributor's sharing pool is distributed among all qualified recipients that are located in
- 4.19 the same county outside of the metropolitan area, proportionally to the share of each qualified
- 4.20 recipient's population that resides in the sharing pool's county.
- 4.21 (c) A qualified recipient's distribution is the sum of the distributions to that qualified
- 4.22 recipient calculated under paragraph (b)."
- 4.23 Page 16, line 6, delete "political subdivision's" and insert "city's"
- 4.24 Page 16, lines 8, 9, and 11, delete "political subdivision" and insert "city"
- 4.25 Page 16, delete section 7
- 4.26 Renumber the sections in sequence and correct the internal references
- 4.27 Amend the title accordingly