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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **2131**

March 14, 2007

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The bill was read for the first time and referred to the Committee on Taxes

A bill for an act

relating to taxation; sales taxes; eliminating a restriction on the exemption for an electrical cooperative located in Meeker County; amending Minnesota Statutes 2006, section 297A.68, subdivision 37.

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

Section 1. Minnesota Statutes 2006, section 297A.68, subdivision 37, is amended to read:

**Subd. 37. Job opportunity building zones.** (a) Purchases of tangible personal property or taxable services by a qualified business, as defined in section 469.310, are exempt if the property or services are primarily used or consumed in a job opportunity building zone designated under section 469.314. For purposes of this subdivision, an aerial camera package, including any camera, computer, and navigation device contained in the package, that is used in an aircraft that is operated under a Federal Aviation Administration Restricted Airworthiness Certificate according to Code of Federal Regulations, title 14, part 21, section 21.25(b)(3), relating to aerial surveying, and that is based, maintained, and dispatched from a job opportunity building zone, qualifies as primarily used or consumed in a job opportunity building zone if the imagery acquired from the aerial camera package is returned to the job opportunity building zone for processing. The exemption for an aerial camera package is limited as provided in this subdivision and the tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner provided in section 297A.75. The total amount of the aerial camera package exemption refunded for all taxpayers for all fiscal years is limited to \$50,000 in taxes.

(b) Purchase and use of construction materials and supplies used or consumed in, and equipment incorporated into, the construction of improvements to real property in

2.1 a job opportunity building zone are exempt if the improvements after completion of  
2.2 construction are to be used in the conduct of a qualified business, as defined in section  
2.3 469.310. This exemption applies regardless of whether the purchases are made by the  
2.4 business or a contractor.

2.5 (c) The exemptions under this subdivision apply to a local sales and use tax  
2.6 regardless of whether the local sales tax is imposed on the sales taxable as defined under  
2.7 this chapter.

2.8 (d) This subdivision applies to sales, if the purchase was made and delivery received  
2.9 during the duration of the zone.

2.10 (e) Notwithstanding the restriction in paragraph (a), which requires items purchased  
2.11 to be primarily used or consumed in the zone, purchases by a qualified business that is  
2.12 an electrical cooperative located in Meeker County of equipment and materials used for  
2.13 the generation, transmission, and distribution of electrical energy are exempt under this  
2.14 subdivision, except that:

2.15 ~~(1) the exemption for materials and equipment used or consumed outside the zone~~  
2.16 ~~must not exceed \$200,000 in taxes for all taxpayers for all fiscal years; and~~

2.17 ~~(2) no sales and use tax exemption is allowed for equipment purchased for resale.~~

2.18 For purposes of this paragraph, the tax must be imposed and collected as if the rate  
2.19 under section 297A.62, subdivision 1, applied and then refunded in the manner provided  
2.20 in section 297A.75.