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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH  
SESSION

HOUSE FILE No. **2791**

February 8, 2010

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

1.1 A bill for an act  
1.2 relating to taxes; exempting materials used to construct a renewable energy plant  
1.3 from the sale tax; amending Minnesota Statutes 2008, section 297A.71, by  
1.4 adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2008, section 297A.71, is amended by adding a  
1.7 subdivision to read:

1.8 Subd. 42. Construction materials; renewable energy plants. (a) Materials and  
1.9 supplies used or consumed in, and equipment incorporated into, the construction of a  
1.10 facility that generates energy from a renewable energy source are exempt if the energy  
1.11 is: (1) sold at retail; (2) sold to a utility for resale to retail customers; or (3) used directly  
1.12 by a business.

1.13 (b) For the purposes of this subdivision, "renewable energy source" means energy  
1.14 generated from the following sources:

1.15 (1) solar, which has the meaning given to "qualifying solar energy project" in section  
1.16 216B.2411, subdivision 2, paragraph (d), except that for a "qualifying solar electric  
1.17 project" the 100-kilowatt peak generating capacity limit does not apply;

1.18 (2) wind;

1.19 (3) hydroelectric with a capacity of less than 100 megawatts;

1.20 (4) hydrothermal;

1.21 (5) hydrogen, provided that after January 1, 2010, the hydrogen must be generated  
1.22 from the resources listed in this subdivision;

1.23 (6) biomass, which includes, without limitation, landfill gas; rotating woody crops;  
1.24 crop residues; an anaerobic digester system; biomass gasification; the predominantly

- 2.1 organic components of wastewater effluent, sludge, or related by-products from publicly  
2.2 owned treatment works, but not including incineration of:
- 2.3 (i) wastewater sludge or related by-products from publicly owned treatment works;  
2.4 (ii) mixed municipal solid waste; or  
2.5 (iii) refuse-derived fuel from mixed municipal solid waste; and  
2.6 (7) a district energy system fueled primarily by biomass.

- 2.7 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
2.8 June 30, 2010.