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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1695

03/01/2021 Authored by Baker, Lueck, Bennett, O'Neill, Daniels and others
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 taxation; property; providing state general tax exemption for qualified
1.3 businesses.

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

1.5 Section 1. STATE GENERAL TAX EXEMPTION.

1.6 (a) Notwithstanding Minnesota Statutes, section 275.025, property owned or leased by
1.7 a qualified business under this section is not subject to the levy under Minnesota Statutes,
1.8 section 275.025, subdivision 1, for property taxes payable in 2021 and 2022. The property
1.9 must have been owned or leased by the qualified business on January 2, 2020, and continue
1.10 to be owned or leased by the qualified business in the taxes payable year in which the
1.11 exemption under this section is sought. For the purposes of this section, a "qualified business"
1.12 means a business that operates from a physical location in Minnesota that provides hospitality
1.13 services to the public, including but not limited to businesses that on November 1, 2020,
1.14 were included on the current list of businesses maintained by the commissioner of
1.15 employment and economic development pursuant to an agreement between the commissioner
1.16 of employment and economic development and the United States Bureau of Labor Statistics
1.17 for use in the Quarterly Census of Employment and Wages as a business with a primary
1.18 North American Industry Classification System code of:

1.19 (1) 31212 - Breweries;

1.20 (2) 31213 - Wineries;

1.21 (3) 31214 - Distilleries;

1.22 (4) 71395 - Bowling Centers;

2.1 (5) 72111 - Hotels and Motels;

2.2 (6) 7223 - Specialty Foods;

2.3 (7) 7224 - Drinking Places (alcoholic beverages); or

2.4 (8) 7225 - Restaurants.

2.5 (b) To receive an exemption under this section, a property owner must apply to the  
2.6 commissioner of revenue by July 1 in each taxes payable year for which an exemption is  
2.7 sought. If application is made after any portion of the state general tax has been paid, the  
2.8 portion of the tax already paid must be refunded to the taxpayer by the county treasurer as  
2.9 soon as practicable. The commissioner of revenue must determine the form and manner of  
2.10 the application under this paragraph.

2.11 (c) For property taxes payable in 2021 and 2022, the commercial-industrial share of the  
2.12 certified levy under Minnesota Statutes, section 275.025, subdivision 1, must be reduced  
2.13 by a fraction equal to the tax capacity of all property approved for an exemption under this  
2.14 section, divided by the total commercial-industrial tax capacity, as defined in Minnesota  
2.15 Statutes, section 275.025, subdivision 2, for each taxes payable year.

2.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.