Overview

Although purchases of capital equipment are exempt from the sales tax, under current law businesses are required to pay the sales tax at the time of purchase and apply for a refund of the taxes paid. This bill would eliminate that requirement and make it an up-front exemption.

1 Refunds to purchasers. Eliminates language relating to the calculation of interest paid on capital equipment refunds.

2 Agriculture processing facilities materials. Clarifies that the refund mechanism in place in 1998 for capital equipment exemptions will still be used to apply for a refund of sales tax paid on construction materials purchased to build a certain agriculture processing facility.

3 Mineral production facilities; exemption. Clarifies that the refund mechanism in place in 1998 for capital equipment exemptions will still be used to apply for a refund of sales tax paid on construction materials purchased to build exempt mineral production facilities.

4 Repealer. Repeals the requirement that purchasers of capital equipment pay the sales tax at the time of purchase and apply for a refund of the taxes paid.

5 Effective date. Effective for purchases after December 31, 1999.