Overview

There is currently a sales tax exemption for construction materials used to construct or improve county or city adult and juvenile correctional facilities if the projected is mandated by state or federal law, rule, or regulation. If the materials are purchased directly by the city or county, the tax is not paid. If the materials are purchased by a contractor, subcontractor or builder, the tax is paid when the materials are purchased and the city or county has to apply for a refund. This bill would make this an up-front exemption, regardless of the purchaser.

1 Sales to government. Clarifies that the existing sales tax exemption, available to contractors and subcontractors as well as the owner, for construction materials used in building correctional facilities overrides the general prohibition against extending local government exemptions to contractors and subcontractors.

2 Repealer. Repeals the requirement that if the construction materials for correctional facilities are purchased by a contractor, subcontractor, or builder, that the tax be paid and the city or county apply for a refund of the tax.

3 Effective date. Effective for purchases on or after July 1, 2000.