

March 3, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 3909 (Hanson, J.)

	Fund Impact			
	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>	<u>F.Y. 2028</u>	<u>F.Y. 2029</u>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Effective day following final enactment, for gross revenues received after December 31, 2026.

EXPLANATION OF THE BILL

Current Law: There is a prohibition on housing inmates at private detention facilities by the Minnesota Department of Corrections and local law enforcement in the state of Minnesota.

Proposed Law: The bill would impose a tax of 50 percent on the gross revenues of a private detention facility. Administration of the gross receipts tax would follow the filing and remittance schedule of the state sales tax. Revenues would be deposited into the general fund.

REVENUE ANALYSIS DETAIL

- There are no known private detention facilities currently operating in Minnesota.
- It is assumed there will be no new private detention facilities opened in Minnesota during the forecast period.

Minnesota Department of Revenue
Tax Research Division
<https://www.revenue.state.mn.us/revenue-analyses>