

March 16, 2022

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 2189 (Olson, L.) / S.F. 2258 (McEwen)

	Fund Impact			
	<u>F.Y. 2022</u>	<u>F.Y. 2023</u>	<u>F.Y. 2024</u>	<u>F.Y. 2025</u>
	(000's)			
General Fund	\$0	(\$240)	(\$250)	\$0
Natural Resources and Arts Funds	<u>\$0</u>	<u>(\$10)</u>	<u>(\$20)</u>	<u>\$0</u>
Total – All Funds	\$0	(\$250)	(\$270)	\$0

Effective July 1, 2021.

EXPLANATION OF THE BILL

The bill provides a sales and use tax exemption for materials and supplies used in the construction, reconstruction, upgrade, expansion, or remodeling of the addition of an administrative building and a transportation facility in Independent School District No. 709. Materials and supplies would be exempt if purchased after June 30, 2021, and before January 1, 2025. The exemption would be administered as a refund.

REVENUE ANALYSIS DETAIL

- Information for the estimates was provided by a representative of Independent School District No. 709.
- It is estimated that taxable construction materials and supplies for the projects total \$7.6 million.
- Based on construction timelines provided by a representative of ISD 709, it is assumed that refunds will be paid in fiscal year 2023 and fiscal year 2024.

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