

March 17, 2021

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 1801 (Murphy) / S.F. 1838 (Bakk)

	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	(\$35)	\$0	\$0	\$0
Natural Resources and Arts Funds	<u>(negl.)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total – All Funds	(\$35)	\$0	\$0	\$0

Effective retroactively from April 1, 2021.

EXPLANATION OF THE BILL

The bill would exempt materials, supplies, and equipment used in the construction of a sand and salt storage facility in the city of Proctor from the sales and use tax. The exemption would apply to purchases after March 31, 2021, and before January 1, 2023. The tax would be imposed at the time of purchase and refunded.

REVENUE ANALYSIS DETAIL

- Information for the estimate was provided by a representative of the city of Proctor.
- Total construction costs for materials, supplies, and equipment are estimated to be \$420,000.
- The project is expected to start in August 2021 and conclude in January 2022.
- It is assumed that refund claims will be filed and paid in fiscal year 2022.

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