

February 3, 2021

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 124 (Wiger) / H.F. 181 (Fischer)

	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	(\$430)	\$0	\$0	\$0
Natural Resources and Arts Funds	<u>(\$20)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total – All Funds	(\$450)	\$0	\$0	\$0

Effective retroactively from October 1, 2020.

EXPLANATION OF THE BILL

The bill would exempt materials, supplies, and equipment used in the construction of a new fire station and an emergency management operations center in the city of Maplewood from the sales and use tax. Materials, supplies, and equipment would also be exempt for on-site infrastructure improvements, including a parking lot, road access, lighting, sidewalks, and utility components. The exemption would be administered as a refund and apply to purchases made after September 30, 2020, and before April 1, 2023.

REVENUE ANALYSIS DETAIL

- Information for the estimates was provided by a representative of the city of Maplewood.
- The new fire station project is estimated to cost approximately \$13.1 million.
- Total construction costs for materials, supplies, and equipment are estimated to be \$6.55 million.
- It is assumed that the project will be completed by the end of calendar year 2021.
- It is assumed that all refunds will be filed and paid in fiscal year 2022.

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