

April 27, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 4923 (Johnson, W.), As Proposed to be Amended (H4923A1)

	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	(\$170)	(\$170)	\$0
Natural Resources and Arts Funds	\$0	(\$10)	(\$10)	\$0
Housing Assistance Fund	\$0	Negl.	Negl.	\$0
Special Revenue Fund	<u>\$0</u>	<u>Negl.</u>	<u>Negl.</u>	<u>\$0</u>
Total – All Funds	\$0	(\$180)	(\$180)	\$0

Effective retroactively for sales and purchases made after March 31, 2026, and before January 1, 2028.

EXPLANATION OF THE BILL

The bill, as proposed to be amended, would exempt materials and supplies used in and equipment incorporated into the construction of the TH 61/80th Street Rehabilitation Project from Highway 61 to Ideal Avenue South as a primary connection to Highway 61 in the city of Cottage Grove. The exemption would be administered as a refund and only apply to purchases made after March 31, 2026, and before January 1, 2028. Refunds for eligible purchases would not be issued until after June 30, 2026.

REVENUE ANALYSIS DETAIL

- The estimate is based on project information provided by the city of Cottage Grove.
- The total construction cost is estimated to be \$13.1 million.
- The total cost of taxable materials is estimated to be \$5.3 million.
- The project began in April 2026 and will be completed in June 2027. The distribution of expected refund claims is assumed based on the project timeline.

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