

HF122 - 0 - "Motor Vehicle Prch by Lcl Govt "

Chief Author: **Chris Swedzinski**
 Committee: **Transportation Policy & Finance**
 Date Completed: **01/20/2015**
 Agency: **Revenue Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue	X	
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
Total	-	-	-	-	-	-
Biennial Total			-		-	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Bryan Dahl Date: 1/20/2015 1:51:13 PM
 Phone: 651 201-8031 Email bryan.dahl@state.mn.us

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Total	-	-	-	-	-
Biennial Total		-		-	
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Total	-	-	-	-	-
Biennial Total		-		-	
2 - Revenues, Transfers In*					
Total	-	-	-	-	-
Biennial Total		-		-	

Bill Description

This bill expands the current exemption for road maintenance vehicles to include "local governments". The motor vehicle tax exemption currently only allows towns to purchase road maintenance vehicles (snow plows or dump truck) exempt from the motor vehicle sales tax and excludes an automobile, van, or pickup truck. This bill proposes that the exemption for the purchase of snow plows and dump trucks used for road maintenance be expanded to include purchases by a:

- home rule charter or statutory city
- county
- town or
- an instrumentality of a home rule charter or statutory city, county, or town.

The exemption is retroactive to sales and purchases made after June 30, 2014.

Assumptions

The Department of Revenue does not anticipate incurring administrative costs or savings as a result of this proposal.

Expenditure and/or Revenue Formula

A completed revenue analysis was not available at the time this fiscal note was prepared.

Long-Term Fiscal Considerations

Local Fiscal Impact

The bill will decrease costs for some local governments, since it provides an exemption from the sales tax on motor vehicles for certain local governments on their purchases of qualifying road maintenance equipment.

References/Sources

Agency Contact: Lisa Knops (651) 556-6754

Agency Fiscal Note Coordinator Signature: Lisa Knops
Phone: 651 556-6754

Date: 1/20/2015 12:47:10 PM
Email: lisa.knops@state.mn.us