

March 16, 2022

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 2262 (Hertaus) As proposed to be amended (A22-0365)

	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	\$0	(\$520)	\$0
Natural Resources and Arts Funds	<u>\$0</u>	<u>\$0</u>	<u>(\$30)</u>	<u>\$0</u>
Total – All Funds	\$0	\$0	(\$550)	\$0

Effective retroactively from March 31, 2020.

EXPLANATION OF THE BILL

The bill would exempt materials, supplies, and equipment used in the construction of the several projects in the city of Wayzata from the sales and use tax. The exemption would be administered as a refund and apply to purchases made after March 31, 2020 and before January 1, 2025. The projects are as follows.

- Expansion and remodeling of Depot Park
- Construction of community docks for accessing Lake Minnetonka
- Construction of a lakeside boardwalk
- Shoreline restoration
- Restoration of Section Foreman House
- Construction of Eco Park
- Construction of a public plaza
- Construction of a regional multiuse trail
- Construction of railroad crossings

REVENUE ANALYSIS DETAIL

- Information for the estimates was provided by a representative of the city of Wayzata.
- Total construction costs for taxable materials, supplies, and equipment for all projects are estimated to be \$7.98 million.
- It is anticipated the project will start in spring 2023 and will take a year to complete.
- It is assumed that all refunds will be paid in fiscal year 2024.

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