

March 8, 2021

	<b>Yes</b>	<b>No</b>
<b>DOR Administrative Costs/Savings</b>		<b>X</b>

Department of Revenue  
Analysis of H.F. 1591 (Swedzinski) / S.F. 1822 (Dornink)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2022</u></b>	<b><u>F.Y. 2023</u></b>	<b><u>F.Y. 2024</u></b>	<b><u>F.Y. 2025</u></b>
	(000's)			
General Fund	(\$270)	(\$300)	(\$310)	(\$310)
Natural Resources and Arts Funds	<u>(\$20)</u>	<u>(\$20)</u>	<u>(\$20)</u>	<u>(\$20)</u>
Total – All Funds	(\$290)	(\$320)	(\$330)	(\$330)

Effective for sales and purchases made after June 30, 2021.

**EXPLANATION OF THE BILL**

**Current Law:** The sales and use tax exemption for capital equipment excludes machinery and equipment used by butcher shops in the furnishing, preparing, or serving of prepared food.

**Proposed Law:** The bill expands the sales and use tax exemption for capital equipment to include machinery and equipment used by butcher shops in the furnishing, preparing, or serving of prepared food.

**REVENUE ANALYSIS DETAIL**

- The estimates are based on information from the Minnesota Department of Agriculture on the number of retail meat processing locations.
- Based on industry information, it is assumed that total taxable equipment purchases by butcher shops is \$4.2 million annually.
- A growth rate of 2% is assumed.

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