

# MINNESOTA • REVENUE

## PROPERTY TAX Aggregate Material Removal Fee

February 28, 2002

	Yes	No
Separate Official Fiscal Note Requested		X
<b>Fiscal Impact</b>		
DOR Administrative Costs/Savings		X

Department of Revenue

Analysis of H.F. 2999 (Ozment)/S.F. 3179 (Murphy) 1<sup>st</sup> engrossment

	<u>Revenue Gain or (Loss)</u>			
	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>	<u>F.Y. 2004</u>	<u>F.Y. 2005</u>
General Fund		(000's)	\$0	\$0

Effective August 1, 2002, and expires July 1, 2004.

### EXPLANATION OF THE BILL

**Current Law:** An aggregate production tax may be levied by counties for the removal of aggregate material from gravel pits or quarries. The tax rate is 10 cents per cubic yard or 7 cents per ton.

**Proposed Law:** As amended a new aggregate material removal fee to be levied by municipalities is established. The fee may not exceed 10 cents per ton on operators. Land use permits shall continue to be enforced by municipalities.

### REVENUE ANALYSIS DETAIL

- The proposed fee would be collected and used locally, and there would be no effect on the state general fund.

**Number of taxpayers affected:** Operators removing aggregate material from sites in municipalities who levy the fee would be affected.

### ADMINISTRATIVE/OPERATIONAL IMPACT

There will be no significant administrative or operational costs or savings to DOR in administration of this bill.

Source: Minnesota Department of Revenue  
Tax Research Division  
<http://www.taxes.state.mn.us/polic.html#analyses>

