

MINNESOTA • REVENUE

VARIOUS TAXES Border Development Zones Enterprise Zones

April 24, 2003

| | Yes | No |
|---|-----|----|
| Separate Official Fiscal Note Requested | | X |
| Fiscal Impact | | |
| DOR Administrative Costs/Savings | | X |

Department of Revenue

Analysis of S.F. 988 (Langseth)/ H.F. 1079 (Lanning), As Introduced

| | <u>Revenue Gain or (Loss)</u> | | | |
|--------------|-------------------------------|------------------|------------------|------------------|
| | <u>F.Y. 2004</u> | <u>F.Y. 2005</u> | <u>F.Y. 2006</u> | <u>F.Y. 2007</u> |
| | (000's) | | | |
| General Fund | (\$1,500) | (\$0) | (\$0) | (\$0) |

Effective day following enactment.

EXPLANATION OF THE BILL

The bill authorizes an additional \$1,500,000 that may be used in border city development zones (authorized by M.S. 469.1731) or that may be used in enterprise zones (authorized by M.S. 469.171). Any portion of the total allocation can be divided between border city development zones and enterprises zones. The Commissioner of Trade and Economic Development must make the allocations to the cities on a per capita basis. The additional allocations may be used for the existing enterprise zone tax reductions or for other offsets of taxes imposed on or remitted by businesses in the enterprise zone.

REVENUE ANALYSIS DETAIL

- It is assumed that all of the additional allocation will be used.
- In practice the allocation could extend over more than one fiscal year.

Number of Taxpayers Affected: Unknown

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