

MINNESOTA • REVENUE

SALES AND USE TAX Game Farms Exemption

April 28, 2003

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

Department of Revenue

Analysis of H.F. 1508 (Hackbarth) **As proposed to be Amended**

	<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	(\$335)	(\$375)	(\$385)	(\$395)

Effective for sales and purchases made after June 30, 2003.

EXPLANATION OF THE BILL

Current Law: Game farm membership dues, other paid admissions, and game release fees are subject to sales tax.

Proposed Law: The bill amends M.S. §297A.61, subd. 3(g)(4)(ii) to exclude from taxation fees or charges for pen-raised game or poultry by a game farm or hunting preserve. This analysis assumes the exemption applies to game release fees charged to users of game farms and hunting clubs. **The proposed amendment clarifies the intent to exempt separately stated fees or charges for pen-raised game or poultry by a game farm or hunting preserve.** The proposed amendment does not affect the revenue estimates.

REVENUE ANALYSIS DETAIL

- The estimate was based on information available to the Department of Revenue.
- Annual growth from an estimated 2002 base year was calculated as one percent over the projected consumer price index published by Global Insights, Inc

Number of Taxpayers: Estimated at around 60 businesses.

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