

MINNESOTA • REVENUE

SALES AND USE TAX Memorial Stones

March 19, 2004

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

Department of Revenue
Analysis of H.F. 1871 (Jaros) / S.F. 2119 (Bakk)

	<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	\$0	(\$930)	(\$1,050)	(\$1,080)

Effective July 1, 2004

EXPLANATION OF THE BILL

Current Law: Minnesota Statutes, section 297A.67, subdivision 10, exempts from sales tax caskets and burial vaults for human burial.

Proposed Law: The bill amends section 297A.67, subd. 10, to include in the exemption memorial stones used either to mark human remains or in cemeteries for humans.

REVENUE ANALYSIS DETAIL

- The analysis used information from industry and state government sources.
- Approximately 1,540 monuments (upright markers) are sold per year at an average cost of \$2,800.
- Approximately 21,300 grave stones (horizontal markers) are sold per year at an average cost of \$500.
- Annual growth was based on data from Global Insights, Inc., February 2004 *U.S. Economic Outlook*.
- The estimate for fiscal year 2005 was adjusted for an effective date of July 1, 2004 (11 months of impact).

Number of Taxpayers: Approximately 22,840 sales per year.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy