

MINNESOTA • REVENUE

VARIOUS TAXES

City of Faribault – JOBZ Extension

April 16, 2009

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue

Analysis of S.F. 2053 (Day) / H.F. 2281 (Fritz)

	Fund Impact			
	<u>F.Y. 2010</u>	<u>F.Y. 2011</u>	<u>F.Y. 2012</u>	<u>F.Y. 2013</u>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Effective the day following final enactment.

EXPLANATION OF THE BILL

Current Law: The duration of the Job Opportunity Building Zone (JOBZ) program is twelve years, from January 1, 2004, through December 31, 2015. Qualifying businesses are eligible for tax benefits for the duration of the zone.

Proposed Law: The bill would extend the duration of a job opportunity building zone located within the city of Faribault by five years. The authority to extend the duration of the zone applies only if the following conditions are met:

- 1) the city has entered a subsidy agreement that provides for a business engaged in manufacturing products that increase the efficiency of energy resources to construct or improve a facility in the zone, and
- 2) the duration extension is approved by the Department of Employment and Economic Development.

REVENUE ANALYSIS DETAIL

- It is assumed that the proposal would impact a single qualified business located in the specified Faribault job opportunity building zone.
- Extending the duration of the zone would provide the qualified business an additional five years of JOBZ tax benefits, which would increase state costs to the general fund beginning in CY 2016.

Number of Taxpayers: One qualified JOBZ business.

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

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