

MINNESOTA • REVENUE

SALES AND USE TAX Repair, Warehouse, Storage Services Telecommunications Equipment

February 21, 2014

Department of Revenue
Analysis of H.F. 1977 (Scott)

	Yes	No
DOR Administrative Costs/Savings		X

	Fund Impact			
	<u>F.Y. 2014</u>	<u>F.Y. 2015</u>	<u>F.Y. 2016</u>	<u>F.Y. 2017</u>
	(000's)			
Electronic and Commercial Equipment				
Repair and Maintenance	\$0	(\$74,900)	(\$88,000)	(\$94,700)
Warehousing and Storage Services	\$0	(\$75,500)	(\$88,800)	(\$95,600)
Telecommunications Equipment	\$0	(\$33,200)	(\$39,500)	(\$42,700)
General Fund Total	\$0	(\$183,600)	(\$216,300)	(\$233,000)
Electronic and Commercial Equipment				
Repair and Maintenance	\$0	(\$4,300)	(\$5,100)	(\$5,500)
Warehousing and Storage Services	\$0	(\$4,400)	(\$5,100)	(\$5,500)
Telecommunications Equipment	\$0	(\$1,900)	(\$2,300)	(\$2,500)
Natural Resources and Arts Funds Total	\$0	(\$10,600)	(\$12,500)	(\$13,500)
Total – All Funds	\$0	(\$194,200)	(\$228,800)	(\$246,500)

Effective for sales and purchases made after June 30, 2014.

EXPLANATION OF THE BILL

This bill would repeal the imposition of the sales and use tax on electronic, commercial, and industrial equipment repair services and on warehousing and storage services. The bill would also reinstate the sales tax exemption for telecommunications machinery and equipment.

REVENUE ANALYSIS DETAIL

- This estimate is based on the Minnesota Consumption Tax Model and analysis completed for the 2013 legislative session.
- The estimate for fiscal year 2015 has been adjusted to reflect eleven months of collections.

Source: Minnesota Department of Revenue
Tax Research Division
www.revenue.state.mn.us/research_stats/Pages/Revenue-Analyses.aspx