

MINNESOTA • REVENUE

SALES AND USE TAX Warehousing Services

February 25, 2014

Senate Bill Added

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 2121 (Quam) / S.F. 1845 (Senjem)

	Fund Impact			
	<u>F.Y. 2014</u>	<u>F.Y. 2015</u>	<u>F.Y. 2016</u>	<u>F.Y. 2017</u>
	(000's)			
General Fund	(\$13,000)	(\$82,400)	(\$88,800)	(\$95,600)
Natural Resources and Arts Funds	<u>(\$700)</u>	<u>(\$4,800)</u>	<u>(\$5,100)</u>	<u>(\$5,500)</u>
Total – All Funds	(\$13,700)	(\$87,200)	(\$93,900)	(\$101,100)

Effective the day following final enactment.

EXPLANATION OF THE BILL

This bill would repeal the sales and use tax on warehousing and storage services. The sales tax was imposed on storage and warehousing services in the 2013 legislative session and is effective April 1, 2014.

REVENUE ANALYSIS DETAIL

- This estimate is based on the Minnesota Consumption Tax Model and the analysis that was performed during the 2013 legislative session.
- This estimate assumes that the bill will become effective before April 1, 2014, and the bill will have two months of fiscal impact in fiscal year 2014.

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

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