

# MINNESOTA • REVENUE

## SALES AND USE TAX Telecommunications Equipment

February 25, 2014

	Yes	No
DOR Administrative Costs/Savings	x	

Department of Revenue  
Analysis of S.F. 1705 (Nelson)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2014</u></b>	<b><u>F.Y. 2015</u></b>	<b><u>F.Y. 2016</u></b>	<b><u>F.Y. 2017</u></b>
	(000's)			
General Fund	(\$30,400)	(\$36,200)	(\$39,500)	(\$42,700)
Natural Resources and Arts Funds	<u>(\$1,800)</u>	<u>(\$2,100)</u>	<u>(\$2,300)</u>	<u>(\$2,500)</u>
Total – All Funds	(\$32,200)	(\$38,300)	(\$41,800)	(\$45,200)

Effective retroactively for sales and purchases made after June 30, 2013.

### EXPLANATION OF THE BILL

This bill would reinstate the sales and use tax exemption for telecommunications equipment that was repealed during the 2013 legislative session. The repeal was effective July 1, 2013. This bill would allow the purchaser to claim a refund of any sales and use taxes that were paid on telecommunications equipment since July 1, 2013.

### REVENUE ANALYSIS DETAIL

- This estimate is based on analysis conducted for the 2013 legislative session.
- This estimate assumes that refunds for sales taxes paid since July 1, 2013, will be paid 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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