

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. 1826 (Schmit) / H.F. 2183 (Erhardt)

	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	(\$5,500)	(\$36,200)	(\$39,500)	(\$42,700)
Natural Resources and Arts Funds	<u>(\$300)</u>	<u>(\$2,100)</u>	<u>(\$2,300)</u>	<u>(\$2,500)</u>
Total – All Funds	(\$5,800)	(\$38,300)	(\$41,800)	(\$45,200)

Effective for sales and purchases made on or after the first day of the first calendar quarter starting after the day following final enactment.

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This bill would reinstate the sales and use tax exemption for telecommunications equipment that was repealed during the 2013 legislative session.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.

REVENUE ANALYSIS DETAIL

- This estimate is based on analysis conducted for the 2013 legislative session.
- This estimate assumes that the bill will become effective April 1, 2014, and would have two months of impact in fiscal year 2014.

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

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