

MINNESOTA • REVENUE

SALES AND USE TAX Warehousing Services

February 25, 2014

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 1827 (Schmit)

	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 for sales and purchases made after March 31, 2014.

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. The bill would allow the purchaser to claim a refund of any sales and use taxes that were paid on these services.

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 any sales taxes paid after March 31, 2014, will be refunded in fiscal year 2014. The bill will have the equivalent of 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](http://www.revenue.state.mn.us/research_stats/Pages/Revenue-Analyses.aspx)

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