

# MINNESOTA • REVENUE

## SALES AND USE TAX Admissions to MSHSL Events

March 28, 2014

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of S.F. 2884 (Clausen)

	<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	\$0	\$0	(\$780)	(\$800)
Natural Resources and Arts Funds	<u>\$0</u>	<u>\$0</u>	<u>(\$50)</u>	<u>(\$50)</u>
Total – All Funds	\$0	\$0	(\$830)	(\$850)

Effective the day following final enactment.

### EXPLANATION OF THE BILL

**Current Law:** Admissions to games, events, and activities sponsored by the Minnesota State High School League (MSHSL) under chapter 128C are exempt from sales and use tax. This exemption was originally enacted in Laws 2006, Ch.257 to exempt events from July 1, 2006, through June 30, 2011. In 2011 the sunset was extended to June 30, 2015.

**Proposed Law:** This bill strikes the July 1, 2015, sunset date for this exemption. The exemption would now become permanent.

### REVENUE ANALYSIS DETAIL

- The MSHSL provided the Department with a yearly estimate for the value of this exemption for fiscal years 2007 to 2013. In fiscal year 2013 this exemption had a cost of \$770,000.
- Between fiscal years 2010 and 2013, this exemption increased by an average of 2.61% per year. This growth rate is used to project the cost of this exemption in future years.

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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