SALES AND USE TAX
City of Mazeppa Construction

February 13, 2019

	Yes	No
DOR Administrative Costs/Savings		x

State Taxes Only – See Separate Analysis of Property Tax Provision

Department of Revenue
Analysis of S.F. 849 (Goggin) / H.F. 695 (Drazkowski)

	Fund Impact			
	F.Y. 2020	**F.Y. 2021**	**F.Y. 2022**	**F.Y. 2023**
		(000's)		
General Fund	$0	($15)	$0	$0
Natural Resources and Arts Funds	$0	(negl.)	$0	$0
Total – All Funds	$0	($15)	$0	$0

Effective retroactively from March 11, 2018.

EXPLANATION OF THE BILL

The bill provides an exemption from the sales and use tax for building materials and supplies used in, and equipment incorporated into, the construction or replacement of property located in the city of Mazeppa that was affected by a fire on March 11, 2018. Durable equipment used in a restaurant for food storage, preparation, and serving is included in the exemption.

The tax must be paid at the time of purchase and a refund requested. The exemption would expire for purchases made after January 1, 2022.

REVENUE ANALYSIS DETAIL

- This estimate is based on project information provided by the city administrator.
- The total project cost is estimated to be $450,000. It is assumed the cost of materials is $225,000.
- It is assumed that claims for refunds would be paid in fiscal year 2021.

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