

February 26, 2020

	<b>Yes</b>	<b>No</b>
<b>DOR Administrative Costs/Savings</b>		<b>X</b>

Department of Revenue  
Analysis of H.F. 2955 (O’Neill) / S.F. 2968 (Anderson, B.)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2020</u></b>	<b><u>F.Y. 2021</u></b>	<b><u>F.Y. 2022</u></b>	<b><u>F.Y. 2023</u></b>
		(000’s)		
General Fund	\$0	(\$110)	(\$110)	\$0
Natural Resources and Arts Funds	<u>\$0</u>	<u>(\$10)</u>	<u>(\$10)</u>	<u>\$0</u>
Total – All Funds	\$0	(\$120)	(\$120)	\$0

Effective the day following final enactment.

**EXPLANATION OF THE BILL**

The bill would exempt materials, supplies, and equipment used in the construction of a fire station and other public safety facilities in the city of Buffalo. The exemption would apply to purchases of materials, supplies, and equipment after April 30, 2020, and before November 1, 2021. The sales tax would be imposed and refunded.

**REVENUE ANALYSIS DETAIL**

- Information for the estimates was provided by a representative of the city of Buffalo.
- It is assumed that the exemption would apply only to the fire station approved by the city council.
- The fire station project is estimated to cost approximately \$7.7 million.
- Construction costs for materials, supplies, and equipment are estimated to be \$5.3 million.
- It is assumed that refunds will be claimed and paid in fiscal years 2021 and 2022.

Minnesota Department of Revenue  
Tax Research Division  
<https://www.revenue.state.mn.us/revenue-analyses>