

February 26, 2020

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 2980 (Gruenhagen) / S.F. 3040 (Newman)

	Fund Impact			
	<u>F.Y. 2020</u>	<u>F.Y. 2021</u>	<u>F.Y. 2022</u>	<u>F.Y. 2023</u>
	(000's)			
General Fund	\$0	(\$700)	\$0	\$0
Natural Resources and Arts Funds	<u>\$0</u>	<u>(\$40)</u>	<u>\$0</u>	<u>\$0</u>
Total – All Funds	\$0	(\$740)	\$0	\$0

Effective retroactively from July 1, 2019.

EXPLANATION OF THE BILL

The bill would provide a sales and use tax exemption for the purchase of an automated storage and retrieval system if: 1) it is installed in a facility located in a county that has no city with a 2018 population of 2,500 or more and the county 2018 population is less than 16,000, 2) the system cost at least \$10 million, and 3) installation occurs after July 1, 2019, and before December 31, 2021. The sales tax would be imposed and refunded.

REVENUE ANALYSIS DETAIL

- It is expected that one facility will qualify for the exemption.
- The cost of the automated storage and retrieval equipment is expected to be \$10.7 million.
- It is assumed that the refund will be paid in fiscal year 2021.

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