

February 26, 2020

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 3280 (Layman) / S.F. 3083 (Eichorn)

	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	(\$40)	(\$40)	(\$40)
Natural Resources and Arts Funds	\$0	<u>(negl.)</u>	<u>(negl.)</u>	<u>(negl.)</u>
Total – All Funds	\$0	(\$40)	(\$40)	(\$40)

Effective for sales and purchases made after August 1, 2020.

EXPLANATION OF THE BILL

The bill would exempt materials, supplies, and equipment used in construction of a fire station in the city of Grand Rapids. The exemption would apply to purchases made after August 1, 2020, and before August 1, 2022. The sales tax would be imposed and refunded.

REVENUE ANALYSIS DETAIL

- Information for the estimates was provided by a representative from the city of Grand Rapids.
- The fire station project is estimated to cost approximately \$3.5 million.
- Total construction costs for materials, supplies, and equipment are estimated to be \$1.8 million.
- It is assumed that the project will start in the fall of 2020 and be completed in the fall of 2022.
- It is assumed that refunds will be claimed and paid in fiscal years 2021, 2022, and 2023.

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