

February 26, 2020

	Yes	No
DOR Administrative Costs/Savings		x

Department of Revenue
Analysis of H.F. 3561 (Fischer) / S.F. 3370 (Wiger)

	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	(\$170)	(\$170)	\$0
Natural Resources and Arts Funds	<u>\$0</u>	<u>(\$10)</u>	<u>(\$10)</u>	<u>\$0</u>
Total – All Funds	\$0	(\$180)	(\$180)	\$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 an emergency management operations center in the city of Maplewood. Materials, supplies, and equipment would also be exempt for on-site infrastructure improvements for a parking lot, road access, lighting, sidewalks, and utility components. The exemption would apply to purchases made after September 30, 2020, and before April 1, 2023. The sales tax would be imposed and then refunded.

REVENUE ANALYSIS DETAIL

- Information for the estimates was provided by a representative of the city of Maplewood.
- The total cost of the projects is estimated to be approximately \$10.7 million.
- Construction costs for materials, supplies, and equipment are estimated to be \$5.3 million.
- It is assumed that the project will start in the fall of 2020 and be completed in the fall of 2021.
- 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>