

February 26, 2020

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

Department of Revenue  
Analysis of S.F. 2987 (Rest) / H.F. 3278 (Carlson, L.)

	<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	(\$140)	(\$140)	(\$140)
Natural Resources and Arts Funds	\$0	(\$10)	(\$10)	(\$10)
Total – All Funds	\$0	(\$150)	(\$150)	(\$150)

Effective retroactively from January 1, 2020.

**EXPLANATION OF THE BILL**

The bill would exempt materials, supplies, and equipment used in the construction of a new police station, which includes police administration, meeting, training, and short-term detention facilities in the city of Crystal. The exemption applies to purchases made after January 1, 2020, and before June 30, 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 Crystal.
- The police station project is estimated to cost approximately \$16 million.
- Total construction costs for materials, supplies, and equipment are estimated to be \$6.7 million.
- It is assumed that the project will begin in the spring of 2021 and be completed in the fall of 2023.
- 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>