

March 10, 2020

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 3738 (Howard) / S.F. 3622 (Wiklund)

	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	(\$70)	(\$70)	(\$70)
Natural Resources and Arts Funds	<u>\$0</u>	<u>(negl.)</u>	<u>(negl.)</u>	<u>(negl.)</u>
Total – All Funds	\$0	(\$70)	(\$70)	(\$70)

Effective the day following final enactment.

EXPLANATION OF THE BILL

The bill would exempt materials, supplies, and equipment used in construction of a new fire station on the site of a previous fire station in the city of Bloomington. The exemption would apply to purchases made after December 31, 2020, and before January 1, 2023. The sales tax would be imposed at the time of purchase and refunded.

REVENUE ANALYSIS DETAIL

- It is assumed that one fire station will qualify for the exemption.
- Information for the estimates was provided by a representative from the city of Bloomington.
- The fire station project is estimated to cost \$7 million.
- Total construction costs for materials, supplies, and equipment are estimated to be \$3.1 million.
- The project is expected to start in the spring of 2021 and be completed by the end 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>