

February 10, 2021

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

Department of Revenue  
Analysis of H.F. 654 (Acomb)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2022</u></b>	<b><u>F.Y. 2023</u></b>	<b><u>F.Y. 2024</u></b>	<b><u>F.Y. 2025</u></b>
		(000's)		
General Fund	(\$190)	\$0	\$0	\$0
Natural Resources and Arts Funds	<u>(\$10)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total – All Funds	(\$200)	\$0	\$0	\$0

Effective the day following final enactment.

**EXPLANATION OF THE BILL**

**Current Law:** Construction materials, supplies, and equipment used in the development of a new fire and police station in the city of Minnetonka are exempt when purchased after May 23, 2019, and before January 1, 2021. The exemption also applies to access roads, lighting, sidewalks, and utility components necessary for the fire and police station. Total refund claims are limited to \$850,000.

**Proposed Law:** The bill would extend the exemption until January 1, 2022.

**REVENUE ANALYSIS DETAIL**

- Information for the estimates was provided by a representative of the city of Minnetonka.
- The total cost of the projects is estimated to be \$29.9 million.
- Construction costs for materials, supplies, and equipment are estimated to be \$9.9 million.
- It is estimated that an additional \$200,000 will be refunded in fiscal year 2022 as a result of the extension from January 1, 2021 to January 1, 2022.

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