

February 3, 2021

Preliminary Estimates

	Yes	No
DOR Administrative Costs/Savings		x

Department of Revenue
Analysis of S.F. 19 (Ruud) As Proposed to be Amended (SCS0019A-1)

	Fund Impact			
	<u>F.Y. 2022</u>	<u>F.Y. 2023</u>	<u>F.Y. 2024</u>	<u>F.Y. 2025</u>
	(000's)			
General Fund	(\$1,510)	(\$1,540)	(\$1,570)	(\$1,610)
Natural Resources and Arts Funds	<u>(\$100)</u>	<u>(\$100)</u>	<u>(\$100)</u>	<u>(\$100)</u>
Total – All Funds	(\$1,610)	(\$1,640)	(\$1,670)	(\$1,710)

Effective for sales and purchases made after June 30, 2021.

EXPLANATION OF THE BILL

Current Law: Ammunition and fishing tackle are generally subject to sales and use tax.

Proposed Law: The bill would exempt the sales of nontoxic ammunition and fishing tackle. Nontoxic is defined as items with no more than trace amounts of lead content.

REVENUE ANALYSIS DETAIL

- The estimates are based on information from the 2016 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation report from the United States Census.
- National ammunition expenditures are apportioned to Minnesota based on the percentage of hunting licenses. It was assumed that 25% of ammunition expenses are attributable to nontoxic ammunition.
- National fishing tackle expenditures are apportioned to Minnesota based on the percentage of fishing licenses. The portion of fishing tackle items that contain lead were estimated.
- Annual growth rates of 2% are assumed.

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