

February 10, 2021

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 88 (Wiklund) / H.F. 574 (Howard)

	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	(\$80)	(\$80)	(\$80)	\$0
Natural Resources and Arts Funds	<u>(negl.)</u>	<u>(negl.)</u>	<u>(negl.)</u>	<u>\$0</u>
Total – All Funds	(\$80)	(\$80)	(\$80)	\$0

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 July 14, 2021, and before January 1, 2024. The sales tax would be imposed 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 of the city of Bloomington.
- The fire station project is estimated to cost \$8 million.
- Total construction costs for materials, supplies, and equipment are estimated to be \$3.6 million.
- It is assumed that the project will start in the spring of 2022 and be completed by the end of 2023.
- It is assumed that refunds will be claimed and paid in fiscal years 2022, 2023, and 2024.

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