

February 10, 2021

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 98 (Abeler) / H.F. 216 (Heinrich)

	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	(\$300)	\$0	\$0	\$0
Natural Resources and Arts Funds	<u>(\$20)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total – All Funds	(\$320)	\$0	\$0	\$0

Effective retroactively for sales and purchases made after June 30, 2020.

EXPLANATION OF THE BILL

The bill would provide a sales and use tax exemption for materials, supplies, and equipment used in the construction, reconstruction, upgrade, expansion, or remodeling of a public works facility including on-site improvements of parking lots, road access, lighting, sidewalks, and utility components in the city of Ramsey. The exemption would apply to purchases made after June 30, 2020, and before January 1, 2023. The exemption would be administered as a refund.

REVENUE ANALYSIS DETAIL

- Information for the estimates was provided by a representative of the city of Ramsey.
- The total project is estimated to cost \$18.9 million.
- It is estimated that taxable materials, supplies, and equipment for the project will total \$4.7 million.
- It is assumed that all refunds will be filed and paid in fiscal year 2022.

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