

March 31, 2021

*Revised for Hearing Testimony*

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

Department of Revenue  
Analysis of H.F. 495 (Akland) / S.F. 541 (Frentz)

	<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	(\$180)	(\$180)	\$0	\$0
Natural Resources and Arts Funds	<u>(\$10)</u>	<u>(\$10)</u>	<u>\$0</u>	<u>\$0</u>
Total – All Funds	(\$190)	(\$190)	\$0	\$0

Effective the day following final enactment.

**EXPLANATION OF THE BILL**

The bill would exempt materials, supplies, and equipment used in construction of a fire station in the city of St. Peter from the sales and use tax. The exemption would apply to purchases made after April 1, 2022, and before March 1, 2024. The sales tax would be imposed and refunded.

**REVENUE ANALYSIS DETAIL**

- Information for the estimates was provided by a representative from the city of St. Peter.
- The fire station project is estimated to cost approximately \$9 million.
- Total construction costs for materials, supplies, and equipment are estimated to be \$5.6 million.
- It is assumed that the project will start in spring 2022 and be completed by the end of calendar year 2022.
- It is assumed that refunds will be claimed and paid in fiscal years 2022 and 2023.

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