

**MINERALS TAX  
Iron Range school account**

March 21, 2022

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

Department of Revenue  
Analysis of S.F. 3622 (Tomassoni) as proposed to be amended by SCS3622A-3

**Fund Impact**

	<b>F.Y. 2022</b>	<b>F.Y. 2023</b>	<b>F.Y. 2024</b>	<b>F.Y. 2025</b>
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective beginning the day after final enactment.

**EXPLANATION OF THE BILL**

Under current law, the iron range school consolidation and cooperatively operated school account receives ten cents per taxable ton of taconite for distribution years 2015-2023 and five cents per taxable ton starting in distribution year 2024 and thereafter.

The proposal would extend the ten cents per taxable ton of taconite distribution from 2023 to 2033. Five cents per taxable ton would start in distribution year 2034.

The proposal would also increase the distribution currently deposited into the taconite environmental fund from five cents per taxable ton to ten cents per taxable ton beginning in distribution year 2034.

**REVENUE ANALYSIS DETAIL**

- The proposal would have no effect on the state general fund; however, it would impact some taconite distribution funds.
- Extending the duration of the ten cents to the iron range school consolidation account would increase distributions by \$1,850,000 to the fund while reducing distributions to the taconite environmental account by \$1,233,000 and the Douglas J. Johnson Economic account by \$617,000 annually.
- Converting these distributions to fiscal years, the school consolidation account would increase \$925,000 in FY2024 with the full effect of \$1,850,000 occurring in FY2025. The taconite environmental account would decrease \$617,000 in FY2024 and \$1,233,000 in FY2025. The Douglas J. Johnson Economic account would decrease \$309,000 in FY2024 and \$617,000 in FY2025.
- Starting in 2034 some funding that would have gone to the Douglas J. Johnson Economic account would instead go to the taconite environmental fund.

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

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