

February 1, 2023

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

Department of Revenue  
Analysis of H.F. 351 (Jacob) As Proposed to be Amended (H0351A1)

	<b>Fund Impact</b>			
	<b>F.Y. 2024</b>	<b>F.Y. 2025</b>	<b>F.Y. 2026</b>	<b>F.Y. 2027</b>
		(000's)		
General Fund	(\$20)	\$0	\$0	\$0
Natural Resources and Arts Funds	<u>(negl.)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total – All Funds	(\$20)	\$0	\$0	\$0

Effective retroactively from March 11, 2018.

**EXPLANATION OF THE BILL**

**Current Law:** There is an exemption from the sales and use tax for building materials and supplies used in, and equipment incorporated into, the construction or replacement of property located in the city of Mazeppa that was affected by a fire on March 11, 2018. Durable equipment used in a restaurant for food storage, preparation, and serving is included in the exemption. The tax must be paid at the time of purchase and a refund requested. The exemption expired on January 1, 2022.

**Proposed Law:** The bill extends the expiration date of the exemption to January 1, 2025.

**REVENUE ANALYSIS DETAIL**

- This estimate is based on project information provided by the city administrator.
- The total project cost is estimated to be \$600,000.
- The cost of materials is assumed to be \$300,000.
- It is assumed that claims for refunds would be paid in fiscal year 2024.

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