

February 15, 2023

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F.1534 (Acomb) /S.F. 1466 (Morrison)

	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	\$0	\$0	(\$1,080)	\$0
Natural Resources and Arts Funds	<u>\$0</u>	<u>\$0</u>	<u>(\$60)</u>	<u>\$0</u>
Total- All Funds	\$0	\$0	(\$1,140)	\$0

Effective retroactively for purchases made after March 31,2020 and before January 1, 2025.

EXPLANATION OF THE BILL

The bill would exempt materials, supplies, and equipment used in the construction of the several projects in the city of Wayzata from the sales and use tax. The exemption would be administered as a refund and apply to purchases made after March 31, 2020 and before January 1, 2025. The projects are as follows.

- a.) Expansion and remodeling of Depot Park
- b.) Construction of community docks for accessing Lake Minnetonka
- c.) Construction of linear boardwalk
- d.) Shoreline restoration
- e.) Restoration of Section Forearm house
- f.) Construction of Eco Park
- g.) Construction of public plaza
- h.) Construction of regional multiuse trail
- i.) Construction of railroad crossings

REVENUE ANALYSIS DETAIL

- Information for the estimates was provided by a representative of the city of Wayzata
- Total construction costs for taxable materials, supplies, and equipment are estimated to be \$16.6 million.
- It is anticipated that the project will start in spring 2023 and would take about a year for completion.
- It is assumed that all refunds will be filed and paid in fiscal year 2024.

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