

March 22, 2023

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

Department of Revenue  
Analysis of S.F. 2949 (Rest) As Proposed to be Amended (SCS2949A-1)

	<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	(\$6,200)	(\$1,400)	(\$1,400)	(\$1,400)
Natural Resources and Arts Funds	(\$360)	(\$80)	(\$80)	(\$80)
<b>Total – All Funds</b>	<b>(\$6,560)</b>	<b>(\$1,480)</b>	<b>(\$1,480)</b>	<b>(\$1,480)</b>

Effective retroactively for sales and purchases made after December 31, 2019.

**EXPLANATION OF THE BILL**

**Current Law:** Sales to nonprofits are exempt from the sales tax if the nonprofit is organized and operated exclusively for charitable, religious, or educational purposes.

**Proposed Law:** The bill as proposed to be amended would exempt sales to blood centers from the sales tax provided the entity is organized and operated for charitable purposes as a 501(c)(3) and registered federally as a blood establishment; human cells, tissues, and cellular and tissue-based products establishment; or a clinical lab that performs infectious disease testing, blood typing, and other laboratory testing services in connection with blood processing for transfusion into humans.

The bill as proposed to be amended would also exempt from the sales tax the lease of automobiles used for carrying out the purposes of the blood center, including the collection, setting up, and delivering of blood to hospitals.

**REVENUE ANALYSIS DETAIL**

- Taxable expenses for nonprofit blood centers were gathered from federal 990 tax forms.
- Expense growth is assumed to be flat for the forecast period.
- It is assumed retroactive claims will be paid in fiscal year 2024.

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