

March 28, 2023

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 3104 (Niska) / S.F. 3037 (Bahr)

	Fund Impact			
	<u>F.Y. 2024</u>	<u>F.Y. 2025</u>	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>
	(000's)			
General Fund	(\$350)	(\$350)	(\$350)	(\$350)
Natural Resources and Arts Funds	(\$20)	(\$20)	(\$20)	(\$20)
Total – All Funds	(\$370)	(\$370)	(\$370)	(\$370)

Effective for sales and purchases made after December 31, 2022

EXPLANATION OF THE BILL

The bill would exempt materials and supplies used in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a new water treatment plant in the city of Ramsey. The exemption would only apply to purchases made after December 31, 2022.

REVENUE ANALYSIS DETAIL

- The estimate is based on project information provided by City of Ramsey Administrator.
- The total project cost is estimated to be \$42.5 million.
- The total cost of materials is estimated to be \$21.25 million.
- The project will begin in 2023 and complete in 2025. The distribution of expected refund claims is assumed based on the project timeline.

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