

March 15, 2023

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F.2736 (Johnson) /H.F. 2804 (Kiel)

	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	\$0	(\$400)	\$0	\$0
Natural Resources and Arts Funds	<u>\$0</u>	<u>(\$20)</u>	<u>\$0</u>	<u>\$0</u>
Total- All Funds	\$0	(\$420)	\$0	\$0

Effective retroactively for purchases made after December 31, 2020 and before January 1, 2026.

EXPLANATION OF THE BILL

The bill would exempt materials, supplies, and equipment used in the construction of a new school in Independent School District 2906, Red Lake County School District. The exemption would be administered as a refund and apply to purchases made after December 31, 2020 and before January 1, 2026. Refunds for eligible purchases must not be issued until after June 30, 2023.

REVENUE ANALYSIS DETAIL

- Information for the estimates was provided by a representative of ISD 2906.
- Total construction costs for materials, supplies, and equipment are estimated to be \$6.1 million.
- It is anticipated that purchases will be made in spring 2023 through fall 2024.
- It is assumed that all refunds will be filed and paid in fiscal year 2025.

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