

April 18, 2023

Revised Estimate

	Yes	No
DOR Administrative Costs/Savings	X	

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

	Fund Impact			
	F.Y. 2024	F.Y. 2025	F.Y. 2026	F.Y. 2027
	(000's)			
General Fund	(\$1,400)	(\$300)	(\$300)	(\$300)
Natural Resources and Arts Funds	(\$80)	(\$20)	(\$20)	(\$20)
Total – All Funds	(\$1,480)	(\$320)	(\$320)	(\$320)

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

- Information on taxable expenses for nonprofit blood centers was gathered from federal 990 tax forms and provided by impacted taxpayers.
- 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>