

March 19, 2024

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

Department of Revenue  
Analysis of H.F. 4575 (Davids) As Proposed to be Amended (H4575A2)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2024</u></b>	<b><u>F.Y. 2025</u></b>	<b><u>F.Y. 2026</u></b>	<b><u>F.Y. 2027</u></b>
		(000's)		
Sales Tax	\$0	(Unknown)	(Unknown)	(Unknown)
Gross Receipts Tax	<u>\$0</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
General Fund Total	\$0	\$0	\$0	\$0
Sales Tax	\$0	(Unknown)	(Unknown)	(Unknown)
Gross Receipts Tax	<u>\$0</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
Natural Resources and Arts Funds Total	\$0	\$0	\$0	\$0
Total – All Funds	\$0	\$0	\$0	\$0

Effective July 1, 2024.

**EXPLANATION OF THE BILL**

**Current Law:** The privilege of admission to places of amusement, recreational areas, or athletic events, and the making available of amusement devices is subject to the sales and use tax.

**Proposed Law:** The bill, as proposed to be amended, would exempt amusement devices from the sales and use tax. The bill would impose a gross receipts tax on amusement devices at a rate of 6.875%. The proceeds from the tax would be deposited in the same manner as the sales and use tax. The 6.5% portion of the tax would be deposited in the General Fund and the 0.375% portion of the tax would be distributed to the legacy funds.

**REVENUE ANALYSIS DETAIL**

- It is assumed that the new gross receipts tax revenues would be equal to the state sales tax exemption and the net fiscal impact of the bill would be \$0.
- It is unknown how much sales and use tax is generated from items impacted by the bill.

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