

March 18, 2024

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F.3385 (Coleman) As Proposed to be Amended (SCS3385A-2)

	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	\$0	(\$700)	(\$700)
Natural Resources and Arts Funds	<u>\$0</u>	<u>\$0</u>	<u>(\$40)</u>	<u>(\$40)</u>
Total – All Funds	\$0	\$0	(\$740)	(\$740)

Effective for purchases made after August 31, 2025, and before October 1, 2026.

EXPLANATION OF THE BILL

The bill would exempt materials, supplies, and equipment used in the construction, reconstruction upgrade, expansion, renovation remodeling of the Chanhassen Bluffs Sports Complex in the city of Chanhassen from the sales and use tax. The exemption would be administered as a refund and apply to purchases made after August 31, 2025, and before October 1, 2026.

REVENUE ANALYSIS DETAIL

- Information for the estimates was provided by a representative of the city of Chanhassen.
- Total construction costs for materials, supplies, and equipment are estimated to be \$21.6 million and the anticipated completion date is September 2026.
- The estimate assumes the passage of a referendum for the project held in the November 2024 election.
- 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>