

March 29, 2024

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 3475 (Kunesh) / H.F. 3482 (Feist)

	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	(\$210)	\$0	\$0
Natural Resources and Arts Funds	<u>\$0</u>	<u>(\$10)</u>	<u>\$0</u>	<u>\$0</u>
Total- All Funds	\$0	(\$220)	\$0	\$0

Effective retroactively for purchases made after August 31, 2021, and before April 1, 2024.

EXPLANATION OF THE BILL

The bill would exempt materials, supplies, and equipment used in the construction, reconstruction, upgrade, expansion, or remodeling of the city hall facility in the city of Columbia Heights from the sales and use tax. The exemption would be administered as a refund and apply to purchases made after August 31, 2021, and before April 1, 2024. Refunds for eligible purchases must not be issued until after June 30, 2024.

REVENUE ANALYSIS DETAIL

- Information for the estimates was provided by a representative of the city of Columbia Heights.
- Total construction costs for materials, supplies, and equipment are estimated to be \$3.2 million and the project has been completed.
- 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](https://www.revenue.state.mn.us/revenue-analyses)

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