

March 15, 2024

| | | |
|----------------------------------|------------|-----------|
| | Yes | No |
| DOR Administrative Costs/Savings | | X |

Department of Revenue
Analysis of S.F. 4806 (Farnsworth)

| | 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 | (\$450) | \$0 | \$0 |
| Natural Resources and Arts Funds | \$0 | (\$20) | \$0 | \$0 |
| Total – All Funds | \$0 | (\$470) | \$0 | \$0 |

Effective retroactively for sales and purchases made after April 30, 2021, and before January 1, 2025.

EXPLANATION OF THE BILL

The bill would provide a sales and use tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the Itasca County courthouse. The exemption would only apply to purchases made after April 30, 2021, and before January 1, 2025.

REVENUE ANALYSIS DETAIL

- The estimates are based on project information provided by a representative from Itasca County.
- It is estimated that taxable materials, supplies, and equipment will be \$6.8 million.
- The project began in the summer of 2021 and is expected to be completed in December of 2024.
- 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>