

March 15, 2024

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 4840 (Mathews) / H.F. 4897 (Mekeland)

	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	(\$740)	\$0	\$0
Natural Resources and Arts Funds	<u>\$0</u>	<u>(\$40)</u>	<u>\$0</u>	<u>\$0</u>
Total – All Funds	\$0	(\$780)	\$0	\$0

Effective retroactively for sales and purchases made after December 31, 2021, and before January 1, 2025.

EXPLANATION OF THE BILL

The bill would exempt materials and supplies used in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the following projects in the Big Lake Independent School District, No. 727:

- Big Lake Liberty Elementary School
- Big Lake Independence Elementary School
- Big Lake Middle School
- Big Lake High School

The exemption would be administered as a refund and apply to purchases made after December 31, 2021, and before January 1, 2025.

REVENUE ANALYSIS DETAIL

- The estimate is based on project information provided by City of Big Lake.
- The total project cost is estimated to be \$23.8 million.
- The total cost of materials is estimated to be \$11.4 million.
- The project began in 2022 and is expected to be completed in 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>