

April 1, 2024

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 3806 (Skraba) / S.F. 3752 (Hauschild)

	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	(\$1,250)	\$0
Natural Resources and Arts Funds	<u>\$0</u>	<u>\$0</u>	<u>(\$70)</u>	<u>\$0</u>
Total – All Funds	\$0	\$0	(\$1,320)	\$0

Effective for sales and purchases made after December 31, 2022.

EXPLANATION OF THE BILL

The bill would exempt materials and supplies used in and equipment incorporated into the construction and improvements to Minnehaha Elementary School and William Kelly School, improvements to Two Harbors High School, improvements or replacement of the Two Harbors and Silver Bay Bus Garages, and improvements to athletic facilities in the Lake Superior Independent School District, No. 381. The exemption would be administered as a refund and only apply to purchases made after December 31, 2022, and before January 1, 2026. Refunds for eligible purchases must not be issued until after January 1, 2026.

REVENUE ANALYSIS DETAIL

- The estimate is based on project information provided by the Lake Superior School District.
- The total project cost is estimated to be \$36.8 million.
- The total cost of materials is estimated to be \$19.2 million.
- The project will begin in 2023 and complete in 2025. 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>