

April 1,2024

	<b>Yes</b>	<b>No</b>
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of H.F. 4918 (Pfarr) / S.F. 4977 (Draheim)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2024</u></b>	<b><u>F.Y. 2025</u></b>	<b><u>F.Y. 2026</u></b>	<b><u>F.Y. 2027</u></b>
	(000's)			
General Fund	\$0	(\$165)	(\$165)	\$0
Natural Resources and Arts Funds	<u>\$0</u>	<u>( \$10)</u>	<u>( \$10)</u>	<u>\$0</u>
Total- All Funds	\$0	(\$175)	(\$175)	\$0

Effective for purchases made after October 31,2021 and before November 1, 2025.

**EXPLANATION OF THE BILL**

The bill would exempt materials, supplies, and equipment used in the construction of new classrooms and playgrounds and improvements to roofs, parking lots, mechanical systems, and athletic spaces. The exemption would be administered as a refund and apply to purchases made after October 31, 2021, and before November 1, 2025. 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 St. Clair School District.
- Total construction costs for materials, supplies, and equipment are estimated to be \$5.1 million.
- It is assumed that refunds will be filed and paid in fiscal year 2025 and 2026.

Minnesota Department of Revenue  
Tax Research Division  
<https://www.revenue.state.mn.us/revenue-analyses>