



## SALES AND USE TAX School District Construction

February 7, 2025

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

Department of Revenue  
Analysis of S.F. 48 (Weber)

|                                  | <b>Fund Impact</b>      |                         |                         |                         |
|----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                  | <b><u>F.Y. 2026</u></b> | <b><u>F.Y. 2027</u></b> | <b><u>F.Y. 2028</u></b> | <b><u>F.Y. 2029</u></b> |
|                                  | (000's)                 |                         |                         |                         |
| General Fund                     | (\$1,040)               | \$0                     | \$0                     | \$0                     |
| Natural Resources and Arts Funds | <u>(\$60)</u>           | <u>\$0</u>              | <u>\$0</u>              | <u>\$0</u>              |
| Total – All Funds                | (\$1,100)               | \$0                     | \$0                     | \$0                     |

Effective retroactively for sales and purchases made after December 31, 2019 and before January 1, 2024.

### EXPLANATION OF THE BILL

The bill would exempt materials and supplies used in and equipment incorporated into the construction of a prekindergarten through grade 12 school building and athletic field in the Russell Tyler Ruthton Independent School District, No. 2902. The exemption would be administered as a refund and apply to purchases made after December 31, 2019, and before January 1, 2024.

### REVENUE ANALYSIS DETAIL

- The estimate is based on project information provided by Russell Taylor Ruthton School District.
- The total project cost is estimated to be \$40 million.
- The total cost of materials is estimated to be \$16 million.
- The project began in 2020 and was completed in 2023. 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](https://www.revenue.state.mn.us/revenue-analyses)

sf0048 Russel Tyler Ruthton SD construction exemption\_1 / awh