



SALES AND USE TAX
City of Becker

February 19, 2025

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 67 (Mathews) / H.F. 522 (Mekeland)

	Fund Impact			
	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>	<u>F.Y. 2028</u>	<u>F.Y. 2029</u>
		(000's)		
General Fund	(\$40)	\$0	\$0	\$0
Natural Resources and Arts Funds	<u>(negl.)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total- All Funds	(\$40)	\$0	\$0	\$0

Effective retroactively for purchases made after May 31, 2024, and before May 1, 2025.

EXPLANATION OF THE BILL

The bill would exempt materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a city hall in the city of Becker from the sales and use tax. The exemption would be administered as a refund and apply to purchases made after May 31, 2024, and before May 1, 2025.

REVENUE ANALYSIS DETAIL

- The estimate is based on project information provided by the city of Becker.
- The total project cost is estimated to be \$1.5 million.
- The total construction costs for materials, supplies, and equipment are estimated to be \$0.6 million.
- The project will begin in July 2024 and complete in July 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](https://www.revenue.state.mn.us/revenue-analyses)

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