

February 10, 2025

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 154 (Weber)

	Fund Impact			
	F.Y. 2026	F.Y. 2027	F.Y. 2028	F.Y. 2029
	(000's)			
General Fund	(\$60)	\$0	\$0	\$0
Natural Resources and Arts Funds	(\$5)	\$0	\$0	\$0
Total – All Funds	(\$65)	\$0	\$0	\$0

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

EXPLANATION OF THE BILL

The bill would provide a sales and use tax exemption for materials, supplies, and equipment used in the construction, reconstruction, upgrade, expansion, renovation, or remodeling of certain projects in the Heron Lake-Okabena school district. The projects that would qualify are a roof replacement, concrete work, tuckpointing, windows, flooring, bus garage doors, Heron Lake doors, bathroom fixtures and upgrades, and a pool filter replacement. The exemption would be administered as a refund.

REVENUE ANALYSIS DETAIL

- Information for the estimates was provided by a representative of the Heron Lake-Okabena school district.
- Total project and construction costs are \$2.4 million.
- Taxable materials are estimated to be \$1 million.
- It is assumed that all refunds will be claimed and paid in fiscal year 2026 based on the project timelines provided.

Minnesota Department of Revenue
Tax Research Division
[https://www.revenue.state.mn.us/
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