

**SALES AND USE TAX
Conservation Clubs**

February 14, 2025

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

Department of Revenue
Analysis of S.F. 498 (Dornink)

| | 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 | (\$50) | (\$60) | (\$60) | (\$60) |
| Natural Resources and Arts Funds | (Negl.) | (Negl.) | (Negl.) | (Negl.) |
| Total – All Funds | (\$50) | (\$60) | (\$60) | (\$60) |

Effective for sales and purchases made after June 30, 2025.

EXPLANATION OF THE BILL

The bill would exempt sales to nonprofit conservation clubs from the sales and use tax. A conservation club is defined as an organization exempt under section 501(c)(3) of the Internal Revenue Code that provides instruction, training, and facilities for shooting handguns or rifles.

REVENUE ANALYSIS DETAIL

- The estimates are based on information from Federal Form 990 filings of conservation clubs in Minnesota. There are approximately 38,000 nonprofits registered with the Internal Revenue Service in Minnesota.
- It is estimated there are twenty conservation clubs in Minnesota registered with 501(c)(3) status that provide instruction, training, and facilities for shooting handguns and rifles.
- It is estimated there was \$780,000 in expenses in 2023 that would become exempt.
- February 2025 growth rates published by S&P Global for consumer prices are used to estimate future purchases.

Minnesota Department of Revenue
Tax Research Division
[https://www.revenue.state.mn.us/
revenue-analyses](https://www.revenue.state.mn.us/revenue-analyses)