



**SALES AND USE TAX**  
**Redwood Valley Elementary**

February 18, 2025

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of S.F. 945 (Dahms) / H.F. 938 (Torkelson)

	<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	(\$950)	\$0	\$0	\$0
Natural Resources and Arts Funds	<u>(\$50)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total- All Funds	(\$1,000)	\$0	\$0	\$0

Effective retroactively for purchases made after March 11, 2024 and before September 9, 2026.

**EXPLANATION OF THE BILL**

The bill would exempt materials, supplies, and equipment used in the construction, reconstruction upgrade, expansion or remodeling of the Redwood Valley Elementary in ISD 2897 from the sales and use tax. The exemption would be administered as a refund and apply to purchases made after March 11, 2024, and before September 9, 2026.

**REVENUE ANALYSIS DETAIL**

- Information for the estimates was provided by a representative of the Redwoods Falls School district ISD 2897.
- Total construction costs for materials, supplies, and equipment are estimated to be \$14.5 million and the project is expected to be completed in September 2025.
- It is assumed that all refunds will be filed and paid in fiscal year 2026.

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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