

February 19, 2025

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of S.F. 1077 (Putnam) as Proposed to be Amended (scs1077a-2)

	<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	\$0	(\$2,300)	(\$2,300)	(\$2,200)
Natural Resources and Arts Funds	<u>\$0</u>	<u>(\$130)</u>	<u>(\$130)</u>	<u>(\$130)</u>
Total – All Funds	\$0	(\$2,430)	(\$2,430)	(\$2,330)

Effective retroactively for sales and purchases made after December 31, 2024, and before June 1, 2029.

## 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 projects at the Stearns County Justice Center. The exemption would be administered as a refund and apply to purchases made after December 31, 2024, and before June 1, 2029. The projects are related to the following facilities:

- a.) A jail.
- b.) A law enforcement center and judicial center.

## REVENUE ANALYSIS DETAIL

- The estimate is based on project information provided by Stearns County.
- The total construction cost is estimated to be \$260.5 million.
- The total cost of materials is estimated to be \$104.2 million.
- The project will begin in May 2026 and complete in May 2029. The distribution of expected refund claims is assumed based on the project timeline.

Minnesota Department of Revenue  
Tax Research Division  
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