

March 20, 2025

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 1227 (Witte) / S.F. 1868 (Duckworth)

	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	(\$290)	(\$290)	\$0	\$0
Natural Resources and Arts Funds	(\$20)	(\$20)	\$0	\$0
Housing Assistance Fund	(\$10)	(\$10)	\$0	\$0
Special Revenue Fund	<u>(Negl.)</u>	<u>(Negl.)</u>	<u>\$0</u>	<u>\$0</u>
Total - All Funds	(\$320)	(\$320)	\$0	\$0

Effective for sales and purchases made after February 28, 2025, and before September 1, 2026.

EXPLANATION OF THE BILL

The bill would exempt materials and supplies used in and equipment incorporated into the construction and improvements to a new public safety training facility in the city of Lakeville. The exemption would be administered as a refund and only apply to purchases made after February 28, 2025, and before September 1, 2026. Refunds for eligible purchases must not be issued until after June 30, 2025.

REVENUE ANALYSIS DETAIL

- The estimate is based on project information provided by the city of Lakeville.
- The total project cost is estimated to be \$22.5 million.
- The total cost of materials is estimated to be \$9.0 million.
- The project began in March 2025 and will be complete in August 2026. 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)

hf1227(sf1868) City of Lakeville construction exemption_1 / ac