

March 11, 2025

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

Department of Revenue
Analysis of S.F. 1425 (Port) / H.F. 159 (Berg)

| | 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 | (\$380) | (\$380) | (\$380) | \$0 |
| Natural Resources and Arts Funds | (\$20) | (\$20) | (\$20) | \$0 |
| Housing Assistance Fund | (\$10) | (\$10) | (\$10) | \$0 |
| Special Revenue Fund | <u>Negl.</u> | <u>Negl.</u> | <u>Negl.</u> | <u>\$0</u> |
| Total – All Funds | (\$410) | (\$410) | (\$410) | \$0 |

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

EXPLANATION OF THE BILL

The bill would exempt materials and supplies used in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a new city hall in the city of Burnsville. The exemption would be administered as a refund and apply to purchases made after December 31, 2024, and before January 1, 2029.

REVENUE ANALYSIS DETAIL

- The estimate is based on project information provided by City of Burnsville.
- Total project construction cost is \$43.7 million.
- Total taxable materials, supplies, and equipment costs are \$17.5 million.
- The project will begin in May 2025 and complete in February 2028. 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)