

March 6, 2025

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 1617 (Hauschild) / H.F. 1035 (Skraba)

	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	\$0	(\$230)	(\$230)	\$0
Natural Resources and Arts Funds	<u>\$0</u>	<u>(\$10)</u>	<u>(\$10)</u>	<u>\$0</u>
Total – All Funds	\$0	(\$240)	(\$240)	\$0

Effective for sales and purchases made after May 31, 2025, and before January 1, 2028.

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 Cook County schools. The exemption would be administered as a refund and apply to purchases made after May 31, 2025, and before January 1, 2028. The projects include the following:

- a.) a new secure main entrance, school office area, auxiliary gym, fitness center, activities entrance, and additional locker rooms.
- b.) renovations and updates to the main commons area, cafeteria, bathrooms, locker rooms, classrooms, hallways, windows and doors, sidewalks, asphalt, and the outdoor playground area.
- c.) updates to HVAC, lighting, security, and PA systems.

REVENUE ANALYSIS DETAIL

- The estimate is based on project information provided by Cook County Public Schools.
- Total project construction cost is \$17.4 million.
- Total taxable materials, supplies, and equipment costs are estimated to be \$7.0 million
- The project will begin in May 2026 and complete in September 2027. The distribution of expected refund claims is assumed based on the project timeline.

Minnesota Department of Revenue
Tax Research Division
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