

March 6, 2025

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of S.F.1684 (Kupec)

	<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	(\$340)	(\$340)	\$0	\$0
Natural Resources and Arts Funds	<u>(\$20)</u>	<u>(\$20)</u>	<u>\$0</u>	<u>\$0</u>
Total- All Funds	(\$360)	(\$360)	\$0	\$0

Effective retroactively for sales and purchases made after February 28, 2025, and before June 1, 2027.

## 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 Moorhead city hall from the sales and use tax. The exemption would be administered as a refund and apply to purchases made after February 28, 2025, and before June 1, 2027.

## REVENUE ANALYSIS DETAIL

- The estimate is based on project information provided by City of Moorhead.
- Total project construction cost is \$21.7 million.
- Total taxable materials, supplies, and equipment costs are \$10.5 million.
- The project will begin in March 2025 and complete in May 2027. 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)