

March 25, 2025

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue

Analysis of S.F. 2378 (Dornink) as Proposed to be Amended (scs2378a-2)

	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	(\$140)	(\$140)	\$0	\$0
Natural Resources and Arts Funds	<u>(\$10)</u>	<u>(\$10)</u>	<u>\$0</u>	<u>\$0</u>
Total- All Funds	(\$150)	(\$150)	\$0	\$0

Effective retroactively for sales and purchases made after April 9, 2024, and before January 1, 2027.

EXPLANATION OF THE BILL

The bill would exempt materials, supplies, and equipment used in the construction, reconstruction upgrade, expansion, renovation remodeling of the municipal arena with two ice rinks in the city of Albert Lea from the sales and use tax. The exemption would be administered as a refund and apply to purchases made after April 9, 2024, and before January 1, 2027. Refunds for eligible purchase must not be issued until after June 30, 2025.

REVENUE ANALYSIS DETAIL

- The estimate is based on project information provided by City of Albert Lea.
- Total project construction cost is \$10.7 million.
- Total taxable materials, supplies, and equipment costs are estimated to be \$4.3 million.
- The project began in April 2024 and will complete in December 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/
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