

March 31, 2025

Preliminary Estimate

Department of Revenue

Analysis of S.F. 2765 (Hauschild) / H.F. 2679 (Zelevnikar)

	Yes	No
DOR Administrative Costs/Savings		X

	Fund Impact			
	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>	<u>F.Y. 2028</u>	<u>F.Y. 2029</u>
	(000's)			
Health Care Access Fund	(\$560)	(\$560)	(\$560)	(\$560)

Effective January 1, 2026, or upon federal approval of exemption waiver.

EXPLANATION OF THE BILL

Current Law: Minnesota licensed ambulance service providers are subject to 1.8% MinnesotaCare tax. Volunteer ambulance services are exempt from the tax.

Proposed Law: The bill would exempt small rural ambulance services from the MinnesotaCare tax. Small rural ambulance services are defined as having annual gross revenues less than or equal to \$10 million and are located outside of the seven metropolitan counties and outside of the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

The exemption is also subject to federal approval.

REVENUE ANALYSIS DETAIL

- Calendar year 2024 tax return information for ambulance services was used for the estimates.
- 34 ambulance providers met the criteria for small rural ambulances.
- Growth rates for small rural ambulance services are assumed to be flat.
- The estimate assumes that federal approval will be granted for all impacted taxpayers.

Minnesota Department of Revenue
Tax Research Division
[https://www.revenue.state.mn.us/
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sf2765(hf2679) Small rural ambulance exemption_1 / ac