

April 4, 2025

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

Department of Revenue
Analysis of H.F. 2724 (Lee, F.) / S.F. 2993 (Champion)

| | 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 | (\$360) | (\$360) | \$0 | \$0 |
| Natural Resources and Arts Funds | (\$20) | (\$20) | \$0 | \$0 |
| Housing Assistance Fund | (\$10) | (\$10) | \$0 | \$0 |
| Special Revenue Fund | <u>(negl.)</u> | <u>(negl.)</u> | <u>\$0</u> | <u>\$0</u> |
| Total - All Funds | (\$390) | (\$390) | \$0 | \$0 |

Effective for sales and purchases made after June 30, 2025, 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, renovation, demolition, upgrade, repair, maintenance, or improvement of public infrastructure for the Upper Harbor Terminal Amphitheater in the city of Minneapolis from the sales and use tax. The exemption would be administered as a refund and only apply to purchases made after June 30, 2025, and before January 1, 2029.

REVENUE ANALYSIS DETAIL

- The estimate is based on project information provided by Resolve Strategies on behalf of the city of Minneapolis.
- The total project cost is estimated to be \$27.8 million.
- The total cost of materials is estimated to be \$11.1 million.
- The project will begin in August 2025 and is expected to 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>