

April 4, 2025

	<b>Yes</b>	<b>No</b>
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of S.F 3016 (Anderson) as Proposed to be Amended (scs3016a-1)

	<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	(\$370)	(\$370)	(\$370)	(\$370)
Natural Resources and Arts Funds	<u>(\$20)</u>	<u>(\$20)</u>	<u>(\$20)</u>	<u>(\$20)</u>
Total- All Funds	(\$390)	(\$390)	(\$390)	(\$390)

Effective retroactively for sales and purchases made after August 31, 2025, and before January 1, 2029.

**EXPLANATION OF THE BILL**

The bill would exempt materials, supplies, and equipment used in the construction, reconstruction upgrade, expansion, renovation remodeling of a new water treatment facility, including accompanying water utility infrastructure and associated improvements in the city of Monticello from the sales and use tax. The exemption would be administered as a refund and apply to purchases made after August 31, 2025, and before January 1, 2029.

**REVENUE ANALYSIS DETAIL**

- The estimate is based on project information provided by City of Monticello.
- Total project construction cost is \$36.0 million.
- Total taxable materials, supplies, and equipment costs are estimated to be \$22.5 million.
- The project will begin in September 2025 and complete in December 2029. 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>