

April 18, 2022

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

Department of Revenue  
Analysis of S.F. 3719 (Rarick) / H.F. 4176 (Nelson, N.)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2022</u></b>	<b><u>F.Y. 2023</u></b>	<b><u>F.Y. 2024</u></b>	<b><u>F.Y. 2025</u></b>
		(000's)		
General Fund	\$0	(\$41,100)	(\$46,900)	(\$49,000)
Natural Resources and Arts Funds	\$0	(\$2,400)	(\$2,700)	(\$2,800)
Total – All Funds	\$0	(\$43,500)	(\$49,600)	(\$51,800)

Effective for sales and purchases made after June 30, 2022.

**EXPLANATION OF THE BILL**

**Current Law:** Lawn care and related services like fertilizing, mowing, spraying and sprigging are subject to the sales tax.

**Proposed Law:** The bill exempts lawn care and related services from sales and use tax.

**REVENUE ANALYSIS DETAIL**

- Department of Revenue records estimate about 4,000 lawn care service businesses.
- Sales tax records were used to estimate the impact.
- The United States landscaping industry is estimated to grow at 4.5% annually.
- Fiscal year 2023 estimates are adjusted for eleven months of collections.

Minnesota Department of Revenue  
Tax Research Division  
<https://www.revenue.state.mn.us/revenue-analyses>