

March 14, 2023

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 2403 (Rest) / H.F. 2575 (Youakim)

	Fund Impact			
	F.Y. 2024	F.Y. 2025	F.Y. 2026	F.Y. 2027
	(000's)			
General Fund	(\$16,790)	(\$2,350)	(\$1,450)	(\$1,040)
Natural Resources and Arts Funds	(\$970)	(\$140)	(\$80)	(\$60)
Total – All Funds	(\$17,760)	(\$2,490)	(\$1,530)	(\$1,100)

Effective July 1, 2023, and applies to sales and purchases made after June 30, 2023, and before January 1, 2028.

EXPLANATION OF THE BILL

The bill would provide a sales and use tax exemption for materials, supplies, and equipment used in the construction, reconstruction, repair, maintenance, or improvement of public infrastructure at Minneapolis-St. Paul International Airport. Materials, supplies, and equipment would need to be purchased after June 30, 2023, and before January 1, 2028 to be eligible for the exemption. The tax would be administered as a refund.

REVENUE ANALYSIS DETAIL

- Information for the estimates was provided by a representative from Minneapolis-St. Paul Airport.
- Total construction costs eligible for the exemption are estimated to be \$830 million.
- Total taxable materials, supplies, and equipment are estimated to be \$330 million.
- It is assumed that all refund claims will be filed and paid in fiscal years 2024 to 2027.
- There may be additional costs beyond the forecast period.

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