

March 15, 2023

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

Department of Revenue
Analysis of H.F. 2417 (Lillie) / S.F. 2545 (Xiong)

| | Fund Impact | | | |
|----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | <u>F.Y. 2024</u> | <u>F.Y. 2025</u> | <u>F.Y. 2026</u> | <u>F.Y. 2027</u> |
| | (000's) | | | |
| General Fund | \$0 | (\$250) | (\$250) | (\$250) |
| Natural Resources and Arts Funds | \$0 | (\$10) | (\$10) | (\$10) |
| Total – All Funds | \$0 | (\$260) | (\$260) | (\$260) |

Effective for sales and purchases made after August 31, 2023, and before January 1, 2027.

EXPLANATION OF THE BILL

The bill would exempt materials and supplies used or consumed in and equipment incorporated into the construction of a new public works facility in the city of Oakdale. The exemption would only apply to purchases made after August 31, 2023, and before January 1, 2027.

REVENUE ANALYSIS DETAIL

- The estimate is based on project information provided by Oakdale City Administrator.
- The total project cost is estimated to be \$25.5 million.
- The total cost of materials is estimated to be \$11.5 million
- The project will begin in 2023 and complete in 2025. 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>