

March 14, 2023

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 2226 (Grossell) / S.F. 2718 (Green)

	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	\$0	(\$970)	(\$970)
Natural Resources and Arts Funds	\$0	\$0	(\$60)	(\$60)
Total – All Funds	\$0	\$0	(\$1,030)	(\$1,030)

Effective for sales and purchases made after March 31, 2024, and before January 1, 2028.

EXPLANATION OF THE BILL

The bill would provide an exemption from the sales and use tax for materials, supplies, and equipment used in the construction of a new county jail in Beltrami County. The materials, supplies, and equipment would need to be purchased after March 31, 2024, and before January 1, 2028 to qualify for the exemption. The exemption would be administered as a refund.

REVENUE ANALYSIS DETAIL

- Information for the estimates was provided by a representative from Beltrami County.
- The estimated total project cost is \$80 million.
- It is estimated that taxable materials, supplies, and equipment will total \$30 million.
- It is assumed that all refunds will be filed and claimed in fiscal years 2026 and 2027.

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