

March 18, 2024

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F.3498 (Maye Quade) As Proposed to be Amended (SCS3498A-3)

	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	(\$170)	(\$170)	(\$170)
Natural Resources and Arts Funds	\$0	(\$10)	(\$10)	(\$10)
Total- All Funds	\$0	(\$180)	(\$180)	(\$180)

Effective retroactively for sales and purchases made after February 29, 2024, 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 the Central Maintenance Facility in the city of Apple Valley from the sales and use tax. The exemption would be administered as a refund and apply to purchases made after February 29, 2024, and before January 1, 2029.

REVENUE ANALYSIS DETAIL

- Information for the estimates was provided by a representative of the city of Apple Valley.
- Total construction costs for materials, supplies, and equipment are estimated to be \$13.3 million.
- The project will begin in 2024 and complete in 2028. The distribution of expected refund claims is assumed based on the project timeline.
- A portion of the refunds are expected to be claimed outside the forecast window.

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