

February 3, 2021

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

Department of Revenue  
Analysis of S.F. 262 (Dahms) / H.F. 438 (Swedzinski)

	<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	(\$750)	\$0	\$0	\$0
Natural Resources and Arts Funds	<u>(\$40)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total – All Funds	(\$790)	\$0	\$0	\$0

Effective retroactively from May 1, 2019.

**EXPLANATION OF THE BILL**

The bill would exempt materials, supplies, and equipment used in the construction of an elementary school building and the remodeling of existing school buildings in Independent School District 413 in Marshall from the sales and use tax. The exemption would be administered as a refund and would apply to purchases after May 1, 2019, and before January 1, 2022.

**REVENUE ANALYSIS DETAIL**

- Information for the estimates was provided by a representative of Independent School District 413 in Marshall.
- The total bond referendum amount for the project was \$29.8 million.
- It is estimated that the cost of taxable materials, supplies, and equipment would be approximately \$11.6 million.
- It is assumed that the project will be completed by the end of calendar year 2021.
- It is assumed that all refunds will be filed and paid in fiscal year 2022.

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