

February 10, 2021

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of H.F. 650 (O’Neill) / S.F. 764 (Anderson)

	<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	(\$230)	\$0	\$0	\$0
Natural Resources and Arts Funds	<u>(\$10)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total – All Funds	(\$240)	\$0	\$0	\$0

Effective retroactively from April 1, 2020.

**EXPLANATION OF THE BILL**

The bill would exempt materials, supplies, and equipment used in the construction of a new fire station in the city of Buffalo. The exemption would apply to purchases of materials, supplies, and equipment after April 30, 2020, and before November 1, 2021. The sales tax would be imposed and then refunded.

**REVENUE ANALYSIS DETAIL**

- Information for the estimates was provided by a representative of the city of Buffalo.
- The new fire station project is estimated to cost approximately \$7.7 million.
- Total construction costs for materials, supplies, and equipment are estimated to be \$3.4 million.
- The project began in the spring of 2020 and is expected to be completed in the fall of 2021. 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>