

January 20, 2021

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 65 (Klevorn)

	Fund Impact			
	F.Y. 2022	F.Y. 2023	F.Y. 2024	F.Y. 2025
	(000's)			
General Fund	(\$290)	(\$290)	\$0	\$0
Natural Resources and Arts Funds	(\$20)	(\$20)	\$0	\$0
Total – All Funds	(\$310)	(\$310)	\$0	\$0

Effective retroactively for sales and purchases made after January 1, 2021.

EXPLANATION OF THE BILL

The bill would exempt materials, supplies, and equipment used in the demolition and replacement of Fire Station No. 2 and renovation and expansion of Fire Station No. 3, both in the city of Plymouth. The exemption would apply to purchases made after January 1, 2021, and before March 31, 2023. The sales tax would be imposed and refunded.

REVENUE ANALYSIS DETAIL

- Information for the estimates was provided by a representative of the city of Plymouth.
- The fire station projects are estimated to cost approximately \$22 million.
- Total construction costs for materials, supplies, and equipment are estimated to be \$9 million.
- The Fire Station No. 2 project is expected to start in April 2021 and conclude in August 2022.
- The Fire Station No. 3 project is expected to start in April 2021 and conclude in July 2022.
- It is assumed that claims for refund will be filed and paid in fiscal years 2022 and 2023.

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