

February 10, 2025

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 157 (Weber)

	Fund Impact			
	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>	<u>F.Y. 2028</u>	<u>F.Y. 2029</u>
	(000's)			
General Fund	(\$750)	\$0	\$0	\$0
Natural Resources and Arts Funds	(\$40)	\$0	\$0	\$0
Total – All Funds	(\$790)	\$0	\$0	\$0

Effective retroactively for sales and purchases made after February 29, 2024, and before January 1, 2026.

EXPLANATION OF THE BILL

The bill would provide a sales and use tax exemption for materials, supplies, and equipment used in the construction, reconstruction, upgrade, expansion, renovation, or remodeling of specific projects in the Hills-Beaver Creek school district. The projects covered by the exemption would be a new elementary school and parking lot, repairs to a gymnasium, locker rooms, a vehicle garage, and a bus garage building. The exemption would be administered as a refund.

REVENUE ANALYSIS DETAIL

- Information for the estimates was provided by a representative of the Hills-Beaver Creek school district.
- Total project costs are \$35.5 million.
- Total construction costs are \$28.9 million.
- Taxable materials costs are estimated to be \$11.6 million.
- It is assumed that all refunds will be claimed and paid in fiscal year 2026 based on the project timelines provided.

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