

March 11, 2025

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 969 (Nelson) / S.F. 1604 (Putnam)

	Fund Impact			
	F.Y. 2026	F.Y. 2027	F.Y. 2028	F.Y. 2029
	(000's)			
General Fund	(\$7,200)	(\$8,210)	(\$8,580)	(\$8,980)
Natural Resources and Arts Funds	(\$420)	(\$470)	(\$500)	(\$520)
Housing Assistance Fund	(\$160)	(\$190)	(\$200)	(\$210)
Special Revenue Fund	(\$80)	(\$100)	(\$100)	(\$110)
Total – All Funds	(\$7,860)	(\$8,970)	(\$9,380)	(\$9,820)

Effective for sales and purchases made after June 30, 2025.

EXPLANATION OF THE BILL

Current Law: Fencing used for the containment of farmed Cervidae is exempt from the sales and use tax.

Proposed Law: The bill would expand the exemption to include fencing used directly and principally in agricultural production of tangible personal property intended to be sold ultimately at retail.

REVENUE ANALYSIS DETAIL

- Industry research on the agricultural fencing industry in the United States was used as the basis for this analysis.
- It is estimated that the United States agricultural fencing industry was \$2.4 billion in 2022.
- It is estimated that Minnesota accounts for 4.2% of the industry based on Minnesota’s share of real GDP in the farming sector.
- The agricultural fencing industry is expected to grow at an annual rate of 4.6% based on industry research.
- The estimates are reduced 0.25% to account for fencing for Cervidae that is already exempt.
- The fiscal year 2026 estimates are adjusted for eleven months of collections.

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