

MINNESOTA • REVENUE

LOCAL SALES AND USE TAXES Disposition of the Hennepin County Tax

March 7, 2011

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 502 (Lenczewski) 1st Engrossment

Effective the day following final enactment.

Hennepin County imposed a 0.15% sales tax beginning January 1, 2007. This tax was to help pay for the new Twins ballpark. Some of these tax receipts could be used for youth activities and amateur sports and extension of library hours. These additional receipts could initially not exceed \$4 million annually and the maximum amount is increased by 1.5% annually. Additionally, after all the current permitted expenditures are met, a fund could be established for payment of future obligations under grants or other commitments for future permitted expenditures.

The bill would remove the annual increase in the \$4 million permitted to be spent annually on youth activities and amateur sports and extension of library hours. Also, the fund for future obligations could not be spent on youth activities and amateur sports and extending library hours. This fund would be capped at \$20 million.

The bill would have no state revenue impact.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy

hf0502_1/pja