

MINNESOTA • REVENUE

LOCAL LODGING TAX Disposition Change

April 13, 2004

	Yes	No
Separate Official Fiscal Note Requested		X
Fiscal Impact		
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 1701 (Bakk) H.F. 2399 (Murphy)

	<u>Revenue Gain or (Loss)</u>			
	<u>F.Y. 2004</u>	<u>F.Y. 2005</u>	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Effective the day following final enactment.

EXPLANATION OF THE BILL

Current Law: Minnesota Statutes, Section 469.190, authorizes cities and townships to impose by ordinance a transient lodging tax of up to 3%. Ninety-five percent of the revenue must be used to fund a local convention or tourism bureau for the purpose of promoting the locality as a tourist or convention center.

Proposed Law: The bill authorizes the city of Proctor to use up to 10% of the revenues from its local lodging tax for the preservation of specified railroad equipment and aircraft.

REVENUE ANALYSIS DETAIL

Enactment of this bill would not affect the General Fund or any other state fund.

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