

MINNESOTA • REVENUE

ROCHESTER SALES AND USE TAX Disposition Change

February 17, 2004

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

Department of Revenue
Analysis of S.F. 2054 (Kiscaden) / H.F. 2072 (Nelson, C.)

	<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 after the city clerk files with the Secretary of State the documents required under Minnesota Statutes, Section 645.021, regarding local approval of local laws.

EXPLANATION OF THE BILL

Current Law: Laws of Minnesota for 1998, chapter 389, article 8, section 43, authorized the city of Rochester to impose a city sales and use tax of 0.5%. The city tax is administered under the provisions of M.S. 297A.99, meaning that it must conform to the state sales tax base and be subject to the same administrative and enforcement provisions as the state tax.

Proposed Law: The bill amends the 1998 special law by altering how the proceeds can be used. Besides funding a regional recreation and sports center, the bill allows city sales tax revenue to be used for other facilities for community and student use. Such other facilities need not be located at or adjacent to the Rochester Center.

REVENUE ANALYSIS DETAIL

Enactment of this bill will 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