SALES AND USE TAX
City of St. Paul

April 14, 2003

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

Department of Revenue
Analysis of S.F. 1222 (Cohen)

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

Effective for distributions after April 30, 2003.

EXPLANATION OF THE BILL

Current Law: Local units of government are generally prohibited from imposing a new (or increasing an existing) tax on sales or income.

Proposed Law: The bill authorizes the city of St. Paul to change the disposition of their local sales tax. The disposition previously allowed for 40% to the arena and complex with the remaining 60% of the revenues to be spent on capital projects to further residential, cultural, commercial, and economic development. Of this 60%, an amount of *not more than* 10% was allowed for payment of operating expenses of cultural organizations in the city.

The bill would now make an amount *equal to* 10% (of the total of 60% for development) available for the payment of operating expenses of city cultural organizations.

REVENUE ANALYSIS DETAIL

- Enactment of this bill would have no impact on the general fund or any other state fund.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/polic.html#analyses

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