

# MINNESOTA • REVENUE

## SALES AND USE TAX New Brighton Beverage Tax

April 30, 2003

	Yes	No
Separate Official Fiscal Note Requested		
<b>Fiscal Impact</b>		
DOR Administrative Costs/Savings		

Department of Revenue  
Analysis of S.F. 1498 (Chaudhary)

	<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 chief clerical officer of the city of New Brighton files the required documents regarding local approval of special laws with the Secretary of State.

### 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 New Brighton to impose a sales tax of up to 1.0% on all intoxicating beverages and fermented malt beverages sold at licensed establishments within the city limits. The imposition of the tax is subject to approval at referendum. The proceeds are to be used to fund crime prevention activities and public safety education.

### 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>

sf1498-1 / rrs