

# MINNESOTA • REVENUE

## LOCAL LODGING TAX Disposition Change

April 13, 2004

	Yes	No
Separate Official Fiscal Note Requested		X
<b>Fiscal Impact</b>		
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](http://www.taxes.state.mn.us/taxes/legal_policy)