

MINNESOTA • REVENUE

LOCAL LODGING TAX Proctor Tax Disposition Change

April 25, 2005

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

Department of Revenue
Analysis of S.F. 275 (Bakk) / H.F. 306 (Murphy)

Fund Impact

	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>	<u>F.Y. 2008</u>	<u>F.Y. 2009</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. The city of Proctor currently imposes this tax.

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

REVENUE ANALYSIS DETAIL

- This bill has no impact on state funds.

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

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