

# MINNESOTA • REVENUE

## SALES AND USE TAX

### City of Mankato

April 1, 2005

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

Department of Revenue  
Analysis of S.F. 1561 (Hottinger)/ H.F. 1790 (Dorn)

	<u>Fund Impact</u>			
	<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 after the Mankato city clerk files with the Secretary of State the documents required for local approval of special laws.

### EXPLANATION OF THE BILL

**Current Law:** Minnesota Statutes, Section 477A.016, prohibits local units of government from imposing a new tax or increasing an existing tax on sales or income. Since April 1, 1992, Mankato has imposed a general sales and use tax of 0.5% pursuant to a 1991 special law.

**Proposed Law:** The bill amends the 1991 special law by extending expiration of the city tax to no later than December 31, 2018. To become effective, the city council must pass a resolution approving the extended expiration date. If at least 10% of the voters sign a petition for a vote on the resolution, a referendum election must be held before December 31, 2005.

### REVENUE ANALYSIS DETAIL

The bill has no impact on state funds.

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)