

# MINNESOTA • REVENUE

## VARIOUS TAXES Taylors Falls Border City Development Zone

February 16, 2007

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of S.F. 109 (Olseen) / H.F. 356 (Kalin)

	<u>Fund Impact</u>			
	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>	<u>F.Y. 2010</u>	<u>F.Y. 2011</u>
General Fund	(\$30)	(\$35)	(\$35)	\$0

Effective upon local approval.

### EXPLANATION OF THE BILL

The bill allows the city of Taylors Falls to designate all or any part of the city as a border city development zone. The cumulative total amount of state tax reductions for all years for the city of Taylors Falls is limited to \$100,000. The allocation may be used to offset taxes imposed on or remitted by businesses in the development zone only if the city determines that the tax reduction is necessary to enable a business to expand within the city or to attract a business to the city. The commissioner may waive the limit under the same rules and standards used for other border city development zones.

### REVENUE ANALYSIS DETAIL

- In the absence of specific information on how and when Taylors Falls would use its tax reduction authority, it was assumed that the reductions would be spread over fiscal years 2008 through 2010.

**Number of Taxpayers:** Selected businesses within the city of Taylors Falls.

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)

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