

MINNESOTA • REVENUE

LOCAL SALES AND USE TAX St. Paul General Sales Tax

March 17, 2009

| | Yes | No |
|-------------------------------------|-----|----|
| DOR Administrative Costs/Savings | | X |

Department of Revenue
Analysis of S.F. 929 (Pappas) / H.F. 1254 (Murphy, E.)

The bill makes a change to the allowable use of revenues from the St. Paul general sales and use tax. The City of St. Paul has imposed a local sales and use tax of 0.5% since 1993. The change would continue to provide an allocation, up to \$3,500,000 annually, to pay the principal of bonds issued for capital projects. This provision has been in effect from 2006 to 2009, and the extension would apply from 2010 to 2014.

Also, the bill specifies uses for unexpended funds and additional requirements for the application/review processes of the citizen review panel.

The bill would have no impact on any state fund.

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

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