

# MINNESOTA • REVENUE

## ROCHESTER CITY SALES TAX Use of Revenues

March 26, 2012

*Senate Author Added*

|                                     | Yes | No |
|-------------------------------------|-----|----|
| DOR Administrative<br>Costs/Savings |     | X  |

Department of Revenue  
Analysis of H.F. 2189 (Davids) / S.F. 2174 (Howe)

Effective the day following final enactment.

The city of Rochester has imposed a general sales and use tax since 1983. The most recent reauthorization was in 1998. The proceeds from the 0.5% tax are specified for certain purposes, including infrastructure improvements, improvements to the civic center complex, construction of a regional recreation and sports center, and several other projects. The purposes for which the tax can be used include grants to 17 surrounding cities for economic development projects.

The bill expands the cities eligible to receive grants from the Rochester sales tax to include any city with a 2010 population of at least 1,000 that has a city boundary within 25 miles of the geographic center of Rochester and is closer to Rochester than to any other city with a population of 20,000 or more.

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](http://www.taxes.state.mn.us/taxes/legal_policy)

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