

# MINNESOTA • REVENUE

## LOCAL SALES TAXES Rochester Lodging Tax, Food and Beverage Tax

March 12, 2012

Department of Revenue  
Analysis of H.F. 2352 (Quam) / S.F. 2211 (Senjem)

	Yes	No
DOR Administrative Costs/Savings		X

The City of Rochester currently imposes a lodging tax at a total rate of 4%.

In 2009 the Legislature authorized the City of Rochester to impose an additional lodging tax of 1% and to impose a restaurant food and on-sale liquor tax of 1%. Revenues from the additional lodging tax and the new food and beverage tax were to be used to pay for bonds issued before December 31, 2014, to finance renovation and expansion of the Mayo Civic Center complex. Neither the additional lodging tax nor the food and beverage tax has been imposed.

The bill would repeal the authority to impose a food and beverage tax and would increase the lodging tax authorization from 1% to 3% (for a total lodging tax rate of 7%). The bill also extends the period of bond issuance from before December 31, 2014 to before December 31, 2016. The additional lodging tax would expire when principal and interest on any bonds issued for the project have been paid.

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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