MOTOR VEHICLE RENTAL TAX
Dedication

April 1, 2013

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 712 (Atkins) As Proposed to be Amended (A13-0364)

	Fund Impact			
	F.Y. 2014	**F.Y. 2015**	**F.Y. 2016**	**F.Y. 2017**
		(000's)		
Motor Vehicle Rental Tax	($15,200)	($15,900)	($16,700)	($17,500)
Removal of Tourism Appropriation	$8,725	$8,725	$8,725	$8,725
General Fund Net Impact	($6,475)	($7,175)	($7,975)	($8,775)
Motor Vehicle Rental Tax	$15,200	$15,900	$16,700	$17,500
Appropriation to Explore MN Tourism	($15,200)	($15,900)	($16,700)	($17,500)
Special Revenue Fund Net Impact	$0	$0	$0	$0
Total – All Funds	($6,475)	($7,175)	($7,975)	($8,775)

Effective July 1, 2013

The 6.2% motor vehicle rental tax is currently deposited in the General Fund. As proposed to be amended, the bill would deposit the revenues from the 6.2% motor vehicle rental tax in the Special Revenue Fund for dedication to Explore Minnesota Tourism. There would no longer be an annual appropriation to Explore Minnesota Tourism from the General Fund.

REVENUE ANALYSIS DETAIL

- Baseline revenues are from the February 2013 forecast for the 6.2% car rental forecast.
- The 6.2% car rental tax generated $14.2 million in FY 2012.
- The appropriation to Explore Minnesota Tourism for fiscal years 2014 and 2015 is $8,725,000 for each year. The estimates show the impact if the appropriation would be the same amount for fiscal years 2016 and 2017.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.revenue.state.mn.us/research_stats/Pages/Revenue-Analyses.aspx

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