



LOCAL SALES AND USE TAX City of Avon

February 22, 2019

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 355 (Demuth) / S.F. 564 (Howe)

The bill authorizes the city of Avon to impose a sales and use tax of up to 0.5%, as approved by the voters at the 2018 general election. The proceeds would be used to finance capital and administrative costs of transportation improvement projects as adopted in the street priority improvement plan for the city. The bill authorizes a bond issuance of up to \$1.5 million plus bond costs.

The tax would terminate the earlier of December 31, 2045, or when the city council determines that \$1.5 million plus bond costs has been received from the tax to pay for the cost of the projects. The tax may expire earlier if the city so determines by ordinance.

The bill would have no impact on state taxes.

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

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