



LOCAL SALES AND USE TAX City of Perham

February 22, 2019

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 388 (Nornes) / S.F. 764 (Ingebrigtsen)

The bill authorizes the city of Perham 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 the capital and administrative costs of site preparation, redevelopment, renovation, design, construction, furnishing, and equipping of buildings, land, and infrastructure at the Perham Area Community Center. The bill authorizes a bond issuance of up to \$5.2 million plus bond costs.

The tax would terminate the later of 20 years after it was first imposed or when the city council determines that \$5.2 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

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