LOCAL SALES AND USE TAX
City of Sauk Centre

February 25, 2019

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 392 (Anderson) / S.F. 659 (Westrom)

The bill authorizes the city of Sauk Centre to impose a sales and use tax of up to 0.5% and a motor vehicle excise tax of $20, as approved by the voters at the 2018 general election. The proceeds would be used to finance capital and administrative costs of transportation projects, including the reconstruction of Trunk Highway 71 and projects in the city of Sauk Centre capital improvement plan. The bill authorizes a bond issuance of up to $10 million plus bond costs.

The tax would terminate the earlier of December 31, 2045, or when the city council determines that $10 million plus bond costs has been raised by the taxes to pay for 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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