LOCAL SALES AND USE TAX
City of Duluth

February 25, 2019

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 119 (Simonson) / H.F. 183 (Schultz)

The city of Duluth has a local general sales tax of 1%. The bill would authorize the city to impose an additional local general sales and use tax of up to 0.5%, as approved by the voters at the November 2017 election. The proceeds of the tax additional 0.5% tax would be used to finance capital and administrative costs related to street, curb, gutter, sidewalk, and bridge improvements including related lighting and signals as outlined in the Duluth Street Improvement Program 2017. The bill authorizes the city to issue bonds to pay capital and administrative expenses related to the projects.

The tax would terminate at the earlier of 25 years after it is first imposed, or when the city council determines that sufficient funds have been raised to finance the projects listed above. 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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