



**LOCAL LODGING TAX
Tax Base**

February 28, 2020

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 346 (Carlson, A.) / S.F. 473 (Wiklund)

Effective the day following final enactment.

Current law authorizes cities and townships to impose a tax of up to 3% on lodging for less than 30 days at a hotel, motel, rooming house, tourist court, or resort. Ninety-five percent of the revenue must be used to fund a local convention or tourism bureau.

The bill would require that local lodging taxes imposed under the current authorization apply to the entire amount paid for lodging, including ancillary or related services, such as services provided by accommodation intermediaries. The effect would be to have the local lodging tax base conform to the state sales tax base for lodging and related services.

The bill also provides that the local government imposing the tax may limit remittances by an accommodation intermediary to once in every calendar year. The local government is required to provide information on due dates and electronically provide geographic and zip code information necessary to correctly collect the tax.

The bill would have no impact on any state tax.

Minnesota Department of Revenue
Tax Research Division
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