



LOCAL SALES AND USE TAX City of Hermantown

March 10, 2020

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 3883 (Murphy) / S.F. 3944 (Bakk)

The bill authorizes the city of Hermantown to impose a sales and use tax of 0.5%, if approved by the voters at a general election. The proceeds would be used for a Community Recreational Initiative including upgrades to the Hermantown Hockey Arena, improvements to Fichtner Park, and construction of the Hermantown-Proctor trail.

The bill authorizes a bond issuance of up to \$28 million plus bond costs. The tax would expire at the earlier of 20 years after first imposed or when the city council determines that sufficient funds have been received from the tax to pay for the costs of the bonds. 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
[https://www.revenue.state.mn.us/
revenue-analyses](https://www.revenue.state.mn.us/revenue-analyses)

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