



**LOCAL SALES AND USE TAX  
City of Crosslake**

March 10, 2021

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of H.F. 1490 (Lueck) / S.F. 1377 (Ruud)

The bill authorizes the city of Crosslake to impose a sales and use tax of 0.5%, if approved by the voters at a general election. The proceeds would be used to finance costs for: 1) the modification of a bio-solids treatment facility (\$2 million), 2) expansion of sewer service to the CSAH 66/Moonlight Service Area (\$1.6 million), and 3) expansion of sewer service to the Daggett Lake Service Area (\$2.4 million).

The bill authorizes a bond issuance of up to \$6 million plus bond costs. The tax would terminate at the earlier of 15 years after it is first imposed or when the city council determines that sufficient funds have been received to pay for the costs of the projects and bonds. The tax may expire earlier if the city so determines by ordinance.

The bill would have no impact on state taxes.

Minnesota Department of Revenue  
Tax Research Division  
<https://www.revenue.state.mn.us/revenue-analyses>

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