

March 1, 2021

|   | <b>Yes</b> | <b>No</b> |
|---|------------|-----------|
| <b>DOR Administrative<br/>Costs/Savings</b> |            | <b>X</b>  |

Department of Revenue  
Analysis of S.F. 448 (Tomassoni) / H.F. 584 (Sandstede)

The bill authorizes the city of Floodwood 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 capital and administrative costs for the Floodwood City-wide Street and Infrastructure Project.

The bill authorizes a bond issuance of up to \$1.25 million plus bond costs. 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 received to pay for the costs of the project and 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  
[www.revenue.state.mn.us/research\\_stats/Pages/  
Revenue-Analyses.aspx](http://www.revenue.state.mn.us/research_stats/Pages/Revenue-Analyses.aspx)

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