

April 22, 2022

	<b>Yes</b>	<b>No</b>
<b>DOR Administrative Costs/Savings</b>		<b>X</b>

Department of Revenue  
Analysis of H.F. 3716 (Murphy) / S.F. 3763 (Bakk)

The city of Proctor has imposed a sales and use tax since 2000. The rate was 0.5% until 2017 when it was increased to 1%. Proctor has also imposed a lodging tax of 3% since 2006 and a food and beverage tax of 1% since 2015.

The bill authorizes the city of Proctor to impose an additional sales and use tax of 0.5%, if approved by the voters at a general election. The proceeds would be used to finance construction of a new regional trail in the city. The total local sales tax rate in Proctor would be 1.5%.

The bill authorizes a bond issuance of up to \$3.85 million plus bond costs. The tax would terminate at the earlier of 20 years after the tax 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  
[https://www.revenue.state.mn.us/  
revenue-analyses](https://www.revenue.state.mn.us/revenue-analyses)

hf3716(sf3763) Proctor local sales tax\_2 / tdh