



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

March 24, 2023

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 1295 (Olson, B.) / S.F. 1395 (Draheim)

The city of Fairmont has imposed a sales and use tax of 0.5% since 2017.

The bill authorizes the city of Fairmont 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 community center and ice arena. The total local sales tax rate in Fairmont would be 1%.

The bill authorizes a bond issuance of up to \$20 million plus bond costs. The tax would terminate at the earlier of 25 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.

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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