

March 6, 2023

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 2275 (McEwen) / H.F. 2382 (Olson, L.)

Duluth has imposed a 1% special lodging tax on lodging facilities with more than 30 rooms, in addition to the 3% lodging tax allowed under general law, since 1970. An additional 1.5% lodging tax was added in 1980 to facilities with more than 30 rooms. In 2014, revenue from 0.5% of the lodging tax was dedicated to public facility capital improvements to support tourism and recreational activities. The 0.5% portion of the tax would expire after \$18 million was raised to cover debt service on bonds.

The bill would increase the amount of revenue required to repay the debt service from \$18 million to \$54 million, extending the 0.5% portion of the tax. Revenue from the tax is to be used to finance capital improvements to park-based public athletic facilities to support sports tourism.

The bill would have no impact on any state fund.

Minnesota Department of Revenue
Tax Research Division
[https://www.revenue.state.mn.us/
revenue-analyses](https://www.revenue.state.mn.us/revenue-analyses)

sf2275(hf2382) Duluth lodging tax extension_1 / awh