



**LOCAL SALES AND USE TAX
City of Detroit Lakes**

March 24, 2023

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 2724 (Joy) / S.F. 2919 (Kupec)

Detroit Lakes currently imposes a sales and use tax of 0.5%. The bill authorizes the city of Detroit Lakes if approved by the voters at a general election to impose an additional sales and use tax of 0.5%.

The proceeds would be used to construct and renovate Detroit Lakes Pavilion, including park, beachfront and parking improvements.

The bill authorizes a bond issuance of up to \$17.3 million plus bond costs. The tax would terminate at the earlier of 12 years from when first imposed or when the city council determines that sufficient funds have been received from the tax to pay for the costs of the project and bonds. The tax could 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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