



Meeting: Local Taxes Advisory Task Force Agenda

Date: September 13, 2023

Agenda

- Welcome (Gina Amacher)
- Introduction (Audel Shokohzadeh)
 - Name, organizational affiliation, favorite fall activity?
- Presentation from the Department of Revenue
- Overview of Potential General Evaluation Criteria (Audel Shokohzadeh)
 - Evaluation criteria for general local sales tax proposals
 - Evaluation criteria for food and beverage tax proposals
 - Evaluation criteria for lodging tax proposals beyond the restrictions of Minnesota Statute 469.190
- Closing and Next Meeting September 27 (Gina Amacher)
 - What resources are needed to continue this conversation?
 - What topics do you want to make sure are on the agenda for a future meeting?

Meeting Materials and Resources

Potential Evaluation Criteria

The following captures ideas and comments shared in the August 30 meeting by the Local Taxes Advisory Task Force. They are not final and may or may not be incorporated into the report of the task force.

General Criteria

- Demonstrated regional benefit.
 - “More than just the local taxpayers that benefit from the facility the tax was funding.” Member Bode
 - “Even if a community does have the means to pay for it another way, there might be some projects...that would be more appropriate to have the benefit paid regionally.” Member Bode
 - “Develop non-ambiguous measurements of regionality – measure the non-residential users of the project compared to the amount of sales tax revenue that will be raised by those non-residents.” Member Dalton
- Overview of the Project
 - “What does it fund, why is it funding that, and who is paying for it?” Member Sims
 - “Clear understanding of the project, costs, length of time, to get the full picture.” Member Bode
- Capital Project Specific
 - “I like the current statute language that identifies of rehabilitation of capital projects vs not using this for general fund operational recurring expenses.” Member Max
 - “If there were some unusual circumstances that they’re (city or county) are going through, that would be a great area where we could give a local sales tax as an option.” Member Max
 - “There are basic services to individual jurisdictions that would not be appropriate for a sales tax.” Member Bode

Important Topics of Conversations

- Defining regionality
 - “Regional is dynamic. There can even be regions within regions...as a state, are we using the word regional define in other spaces.” Member Sims
 - “Need to define how region is being used.” Member Miranda
- Clarity and flexibility
 - “To be clear is to be kind.” Member Sims
 - “Hard to predict what the needs will be over time.” Member Bode
- Burden of local sales taxes
 - “I think a lot of it falls on businesses as well as individuals. It can be challenging for our business operators and retailers to understand all the different taxes.” Member Sims

- “Administratively I think it’s probably easiest for the local governments, because the state administers.” Member Williams
 - “These days, everything is mobile.” Member Miranda
- Other funding mechanisms
 - “We need to think about how the state helps smaller communities with limited retail tax base fund their local services and project through another mechanism as state aid formulas.” Member Dalton