



Meeting: Local Taxes Advisory Task Force Public Meeting

Date: 12/12/2023

Task Force Attendees:

Wilder Attendees:

Agenda

Task Force Meeting 1:00-4:00pm – In Person

- Welcome and check-in (Chair Marquart) **(5 min)**
- Expert Panel DOR Q&A **(20 min)**
- Work Group Activities **(95 min)**
 - Finalize criteria required for projects and regional benefit
 - Finalize authority/entity structure at each stage of tax cycle
- Stakeholder Role Play **(45 min)**
 - To identify gaps in the current proposed pathway – each member will assume the role of a different stakeholder and role play the process
- Debrief **(15 min)**
 - Follow up with DOR Panel and Parking Lot
 - Adjournment (Chair Marquart)

Overview of Projects Funded by Local Sales Taxes

Broad categories of the types of capital projects from 2019-2023

- Public Safety
 - Police departments
 - Fire stations
 - Emergency medical services
 - Correctional facilities
 - License and passport center
 - Justice center
- Parks and Recreation
 - Recreation centers and campgrounds
 - Waterways management and enhancement
 - Environmental conservation
 - Parks and pavilions
 - Bike and walking trails
- Public Places
 - Libraries
 - Childcare facilities
 - Community centers
 - Community health and wellness centers
 - Sports and athletic complexes
- Public Services
 - Water and wastewater facility and system
 - Street repair and reconstruction
- Tourism
 - Promoting community events and festivals
 - Regional sporting complexes
 - Performing arts theatre

2019

Improvement Projects	New Projects	Misc Projects	Lodging Taxes (outside of MN Statute 469.190)	Food and Beverage
<p>Streets and street reconstruction projects</p> <p>Sewer Plant</p> <p>Parks</p> <p>Senior Center facility</p> <p>Youth athletic complex</p> <p>City wide trails</p> <p>Enhancements to beach area and facilities</p> <p>Playground equipment</p> <p>Community center</p> <p>Recreation complex and convention center</p>	<p>Police department</p> <p>Multipurpose recreational facility (Ice arena, community meeting and activity space and synthetic turf field)</p> <p>Community picnic pavilion</p> <p>Trail and pedestrian facilities</p> <p>Aquatic facilities</p> <p>Community athletic facilities</p>	<p>Infrastructure projects</p> <p>Dredging of a lake</p> <p>Prevention of shoreline erosion</p>	<p>Promoting community events and festivals</p> <p>Capital improvements to public recreational facilities</p> <p>Tugboat preservation</p>	<p>Funds used for operation, maintenance, and capital expenses for regional sporting complex</p> <p>Fund costs related to regional tourism events</p>

2021

Improvement Projects	New Projects	Misc Projects	Lodging Taxes (outside of MN Statute 469.190)	Food and Beverage
Regional Park Parks Athletic facility Ice arena Community center Library	Law enforcement center Aquatic center Trails Correctional facilities Community wellness/recreation center Public works facility Regional library Fire station Childcare facility	N/A	N/A	N/A

2023

Improvement Projects	New Projects	Misc Projects	Lodging Taxes (outside of MN Statute 469.190)	Food and Beverage
<p>Electrical and utility improvements at city campground</p> <p>Playground</p> <p>Restroom to make it ADA-compliant.</p> <p>Trails</p> <p>Rehabilitation of community library</p> <p>Ice arena</p> <p>Streets</p> <p>Community center</p> <p>Recreational facility/area</p> <p>Parks</p> <p>Golf course</p> <p>Pavilion and beachfront</p> <p>Civic center sports complex</p> <p>Outdoor athletic complex</p> <p>Community center</p>	<p>Correctional Facility</p> <p>Community health and wellness center</p> <p>Community and recreational center</p> <p>Regional public safety center</p> <p>Public works facility including purchase of land</p> <p>Law enforcement and government center</p> <p>Nature center building</p> <p>Maintenance facility</p> <p>License and passport center</p> <p>Justice center</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>

Statute requirement at minimum - Except for taxes for operating costs of a transit project or improvement, or for transit operations, the taxes must terminate when revenues raised are sufficient to finance the project. MS 297A.993 Subd. 2

County Transportation Sales and Use Taxes/ Vehicle Excise Taxes

County	Rate	Expiration Date
Anoka County Transit Sales & Use	0.25%	
Anoka County Transit Vehicle Excise	\$20/vehicle	not specified
Becker County Transit Sales & Use	0.50%	6/30/2019
Benton County Transit Sales & Use	0.50%	12/31/2037 or sufficient funds raised
Beltrami County Transit Sales & Use	0.50%	
Beltrami Transit Vehicle Excise	\$20/vehicle	
Blue Earth County Transit Sales & Use	0.50%	
Brown County Transit Sales & Use	0.50%	2032 or sufficient funds raised
Carlton County Transit Sales & Use	0.50%	12/31/2039 or sufficient funds raised
Carlton County Transit Vehicle	\$20/vehicle	12/31/2039 or sufficient funds raised
Carver County Transit Sales & Use	0.50%	2027 or sufficient funds raised
Carver County Transit Vehicle Excise	\$20/vehicle	2027 or sufficient funds raised
Cass County Transit Sales & Use	0.50%	4/1/2026 or sufficient funds raised
Chisago County Transit Sales & Use	0.50%	
Cook County Transit Sales & Use	0.50%	Sufficient Revenues Raised
Crow Wing County Transit Sales & Use	0.50%	12/31/2040
Dakota County Transit Sales & Use	0.25%	
Dakota County Transit Vehicle Excise	\$20/vehicle	
Dodge County Transit Sales & Use	0.50%	12/31/2029 or sufficient funds raised
Douglas County Transit Sales & Use	0.50%	
Fillmore County Transit Sales & Use	0.50%	12/31/2024
Freeborn County Transit Sales & Use	0.50%	
Goodhue County Transit Sales & Use	0.50%	12/31/2027 or sufficient funds raised
Goodhue Transit Vehicle Excise	\$20/vehicle	12/31/2027 or sufficient funds raised
Hennepin County Transit Sales & Use	0.50%	2036 or sufficient revenues raised
Hennepin County Transit Vehicle Excise	\$20/vehicle	
Hubbard County Transit Sales & Use	0.50%	5 year plan updated every 5 years
Isanti County Transit Sales & Use	0.50%	12/31/2034 or sufficient funds raised
Kanabec County Transit Sales & Use	0.50%	20 years
Kandiyohi County Transit Sales & Use	0.50%	12/31/2027
Kandiyohi County Transit Vehicle Excise	\$20/vehicle	12/31/2027
Koochiching County Transit Sales & Use	0.50%	12/31/2032 or sufficient funds raised
Le Sueur County Transit Sales & Use	0.50%	Sufficient Revenues Raised
Lake County Transit Sales & Use	0.50%	
McLeod County Transit Sales & Use	0.50%	
Mille Lacs County Transit Sales & Use	0.50%	12/31/2026
Morrison County Transit Sales & Use	0.50%	12/31/2027 or sufficient funds raised
Mower County Transit Sales & Use	0.50%	12/31/2027
Nicollet County Transit Sales & Use	0.50%	12/31/2037
Nobles County Transit Sales & Use	0.50%	12/31/2036

County	Rate	Expiration Date
Norman County Transit Sales & Use	0.50%	6/30/2052
Olmsted County Transit Sales & Use*	0.50%	12/31/49 or sufficient revenues raised
Otter Tail County Transit Sales & Use	0.50%	12/31/2025
Otter Tail County Vehicle Excise	\$20/vehicle	
Pine County Transit Sales & Use	0.50%	12/31/2026
Polk County Transit Sales & Use	0.25%	Sufficient Revenues Raised
Ramsey County Transit Sales & Use	0.50%	Sufficient Revenues Raised
Ramsey County Transit Vehicle Excise	\$20/vehicle	
Redwood County Transit Sales & Use	0.50%	
Renville County Transit Sales & Use	0.50%	12/31/2037 or sufficient funds raised
Rice County Transit Sales & Use	0.50%	Sufficient Revenues Raised
Roseau County Transit Sales & Use	0.50%	Sufficient Revenues Raised
Scott County Transit Sales & Use	0.50%	12/31/2032
Scott County Vehicle Excise	\$20/vehicle	12/31/2032
Sherburne County Transit Sales & Use	0.50%	12/31/2038 or sufficient revenues raised
St. Louis County Transit Sales & Use	0.50%	Sufficient Revenues Raised
St. Louis County Vehicle Excise	\$20/vehicle	Sufficient Revenues Raised
Stearns County Transit Sales & Use	0.25%	12/31/2027
Steele County Transit Sales & Use	0.50%	12/31/2025
Todd County Transit Sales & Use	0.50%	12/31/2042
Wabasha County Transit Sales & Use	0.50%	
Wadena County Transit Sales & Use	0.50%	Sufficient Revenues Raised
Waseca County Transit Sales & Use	0.50%	12/31/2031
Washington County Transit Sales & Use	0.50%	
Washington County Transit Vehicle Excise	\$20/vehicle	
Winona County Transit Sales & Use	0.50%	Sufficient Revenues Raised
Wright County Transit Sales & Use	0.50%	12/31/2032

Lodging Tax (Dept. of Revenue Administered)	Lodging sales are subject to the following taxes:	Total Rate
Giants Ridge Recreation Area (city of Biwabik)	<ul style="list-style-type: none"> • 2.0% Giants Ridge Recreation Area Lodging Tax • 0.5% St. Louis County Transit Sales and Use Tax • 6.875% state general rate sales tax 	9.375%
Lake County Lodging Tax	<ul style="list-style-type: none"> • 4.0% Lake County Lodging Tax • 0.5% Lake County Transit Sales and Use Tax • 6.875% state general rate sales tax 	11.375%
Lake of the Woods County Lodging Tax	<ul style="list-style-type: none"> • 3.0% Lake of the Woods County Lodging Tax • 6.875% state general rate sales tax • Lodging establishments located within the Baudette city limits are not subject to the lodging tax effective June 30, 2022. 	9.875%
Mankato Lodging Tax	<ul style="list-style-type: none"> • 3.0% Mankato Lodging Tax • 6.875% state general rate sales tax • 0.5% Mankato Sales and Use Tax • 0.5% County Transit Sales and Use Tax (Blue Earth or Nicollet¹) 	10.875%
Minneapolis Lodging Tax	<ul style="list-style-type: none"> • 3.0% Minneapolis Lodging Tax (only on 50 or more rooms available for lodging) • 3.0% Minneapolis Entertainment Tax • 6.875% state general rate sales tax • 0.5% St. Paul Sales and Use Tax • 0.5% Ramsey County Transit Sales and Use Tax • 0.25% Metro Area Sales and Use Tax for Housing • 0.75% Metro Area Transportation Sales and Use Tax 	14.875% (rooms over 50) 11.875% (rooms under 50)
Rochester Lodging Tax	<ul style="list-style-type: none"> • 7.0% Rochester Lodging Tax • 6.875% state general rate sales tax • 0.75% Rochester Sales and Use Tax • 0.50% Olmsted County Transit Sales and Use Tax 	15.125%
St. Paul Lodging Tax	<ul style="list-style-type: none"> • St. Paul Lodging Tax (7.0% if 50 or more rooms available for lodging, 3.0% if less than 50 rooms) • 6.875% state general rate sales tax • 0.5% St. Paul Sales and Use Tax • 0.5% Ramsey County Transit Sales and Use Tax • 0.25% Metro Area Sales and Use Tax for Housing • 0.75% Metro Area Transportation Sales and Use Tax 	15.875% (rooms over 50) 11.875% (rooms under 50)
Two Harbors Lodging Tax	<ul style="list-style-type: none"> • 1.0% Two Harbors Lodging Tax • 4.0% Lake County Lodging Tax • 6.875% state general rate sales tax • 1.0% Two Harbors Sales and Use Tax • 0.5% Lake County Transit Sales and Use Tax 	13.375%
Woodbury Lodging Tax	<ul style="list-style-type: none"> • 3.0% Woodbury Lodging Tax • 6.875% state general sales tax • 0.5% Washington County Transit Sales and Use Tax • 0.25 Metro Area Sales and Use Tax for Housing • 0.75% Metro Area Transportation Sales and Use Tax 	11.375%

Special Local Taxes

Special local taxes are imposed by local governments and apply to specific types of sales, including:

- Admissions
- Entertainment
- Food and beverages, including restaurant and liquor
- Lodging accommodations

Some special local taxes are administered by a local government and not the Minnesota Department of Revenue. For questions, contact the city or county.

We administer the following special local taxes in these areas:

Local Area	Special Local Tax Administered
Detroit Lakes	Food and Beverage
Giants Ridge Recreation Area	Admissions and Recreation, Food and Beverage, Lodging
Lake County	Lodging
Lake of the Woods County	Lodging
Mankato	Food and Beverage, Entertainment, Lodging
Marshall	Food and Beverage
Minneapolis	Entertainment, Lodging, Downtown Liquor, Downtown Restaurant
North Mankato	Food and Beverage
Proctor	Food and Beverage
Rochester	Lodging
St. Cloud	Liquor, Food
St. Paul	Lodging
Two Harbors	Lodging
Woodbury	Lodging

For rates and more information, see:

- [Minneapolis Special Taxes](#)
- [Special Local Taxes](#)

Special Local Taxes Administered by the Department of Revenue

Special Local Taxes	Number Administered
Admissions and Recreation	1
Entertainment	2
Food and Beverage, Liquor and Restaurant	8
Lodging	9