



**LOCAL SALES AND USE TAX
Minneapolis Downtown Taxing Area**

April 15, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
S.F. 4872 (Champion), As Proposed to be Amended (SCS4872A-1)

Effective for sales and purchases made after September 30, 2026.

Minneapolis currently imposes a sales tax of 3% on retail on-sales of liquor and fermented malt beverages. Minneapolis also imposes a sales tax of 3% on sales of food at restaurants and places of refreshment. Both taxes are imposed in the designated downtown taxing area.

The bill, as proposed to be amended, would expand the area subject to the taxes on retail on-sale of liquor and fermented malt beverages and sale of food at restaurants and places of refreshment. The bill, as proposed to be amended, would remove the provisions that increase funding to the Minnesota Sports Facilities Authority proportional to increases in the downtown liquor beverage and food taxes.

The bill would have no direct 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)

hf4361(sf4872) Minneapolis downtown taxing district expansion_1 / awl