

April 8, 2026

	<b>Yes</b>	<b>No</b>
<b>DOR Administrative Costs/Savings</b>		<b>X</b>

Department of Revenue  
Analysis of H.F. 4506 (Heintzeman) / S.F. 4705 (Heintzeman)

The city of Baxter implemented a sales and use tax of 0.5% in 2006.

The bill authorizes the city, if approved by the voters at a general election, to use the proceeds to finance \$51 million for upgrades and improvements to the water and wastewater utility systems, \$16 million for improvements to street infrastructure and safety improvements to streets affected by regional Highways 371 and 210, and \$10 million for construction of a new public safety facility, plus associated bonding costs. The bill also authorizes the city to issue up to \$77 million worth of bonds, plus bond issuance costs.

The bill would allow the city of Baxter, by ordinance, to extend the sales tax termination date by 20 years or when an amount sufficient to pay for the projects above plus associated bond costs is raised, whichever is earlier.

The bill would have no direct impact on state taxes.

Source: Minnesota Department of Revenue  
Tax Research Division  
<https://www.revenue.state.mn.us/revenue-analyses>

hf4506(sf4705) City of Baxter Local Sales Tax\_1 / mk