

April 27, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue

Analysis of S.F. 2657 (Pappas), As Proposed to be Amended (SCS2657A-5)

The city of St. Paul has imposed a sales and use tax of 0.5% since 1993. An additional authority of 1% was enacted in 2023. The city of St. Paul also has a lodging tax for less than 50 rooms of 3% since 2004, and a lodging tax for greater than 50 rooms of 6% from 2004 to 2019 that was increased to 7% in 2019.

The bill, as proposed to be amended, extends the expiration date of the authority granted to the city of St. Paul to impose the 0.5% sales and use tax from December 31, 2042, to December 31, 2061, or at an earlier time as the city shall, by ordinance, determine.

The bill, as proposed to be amended, increases the limit for the aggregate principal amount of sales tax supported bonds the city can issue for capital expenses for the St. Paul Civic Center from \$65 million to \$275 million. It also increases from \$130 million to \$325 million the limit for the total principal amount of additional bonds the city can issue together with the outstanding principal amount of the bonds previously issued.

The bill, as proposed to be amended, also removes the requirement that the citizen review panel consist of three residents from each of the seven city council wards, for a total of 21 members.

The bill, as amended, would have no direct impact on state taxes.

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