

April 27, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 5229 (Pappas)

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, then it was increased to 7% in 2019.

The city of St. Paul can use the money to pay for the costs of collecting and administering the tax and to finance major capital projects. Specifically, the funds can be used to finance up to \$738 million, plus associated bonding costs, for street and bridge improvements and to finance up to \$246 million, plus associated bonding costs, for park and recreation facility improvements. The city is also allowed to issue bonds and use the tax revenue to repay that debt.

The bill amends the city of St. Paul's local sales tax authorization by eliminating some restrictions for use of funds for capital improvements to parks and recreation facilities. The change applies retroactively to May 24, 2023, without requiring additional local approval.

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>

sf5229 St. Paul local sales tax use modification_1 / mk