



**SALES AND USE TAX
Tourism Improvement District**

March 25, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 4518 (Dibble), As Proposed to be Amended (SCS4518A-2)

Tourism Improvement Districts were established in 2023 where lodging businesses can be assessed a service charge to fund local tourism marketing and improvements. Businesses may, but are not required to, choose to collect the service charge directly from the purchaser. If the service charge is itemized on the invoice, bill of sale or similar document given to the purchaser, the service charge is excluded from the sales price, and no sales tax is thus imposed on the service charge.

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>

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