



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

March 5, 2024

	Yes	No
DOR Administrative Costs/Savings	X	

Department of Revenue
Analysis of H.F. 3715 (Agbaje) / S.F. 4243 (Dibble)

Effective for sales made after August 1, 2024.

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 would reduce the Minneapolis downtown liquor and restaurant rates to 2.5% from the current 3%. The bill would also expand the downtown taxing area.

The bill would have no impact on state taxes.

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

hf3715(sf4243) Minneapolis Downtown Taxing Area_1 / trc