

April 15, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of H.F. 3596 (Mueller), As Proposed to be Amended (H3596DE1)

The city of Austin has imposed a sales and use tax of 0.5% since 2007 which is set to expire after 20 years.

The bill authorizes the city of Austin, if approved by the voters at a general election, to extend the sales and use tax.

The proceeds would be used to finance up to \$28.4 million, plus associated bonding costs, for the following, in connection with a law enforcement center: (1) the previous purchase of land; (2) utility, site work, and design services; and (3) construction and maintenance. The bill also authorizes the city to issue up to \$28.4 million worth of bonds, plus bond issuance costs.

The tax would terminate at the earlier of 20 years after the tax is first imposed or after the city council determines that the amount received from the tax is sufficient to pay for the costs of the projects listed above plus bond issuance costs and interest. The tax could expire earlier if the city so determines by ordinance.

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>