

**Subject** Duluth tourism tax extended

**Authors** Olson, L.

**Analyst** Alexandra Haigler

**Date** March 6, 2023

## Summary

The city of Duluth currently imposes a tourism tax on the sale of food (restaurants) and lodging to fund various capital projects. This tax has been amended a number of times since the 1980s. Currently the tax is imposed as follows:

Lodging tax (1.5 percent) of which:

- the 0.50 percent portion—to collect \$18 million for public facilities that support tourism and recreational activities

Food and beverage tax (2.25 percent) of which:

- the 1.75 percent portion—to collect \$40.285 million for the Duluth Entertainment and Convention Center
- the 0.50 percent portion—to collect \$18 million for public facilities that support tourism and recreational activities

This bill will increase \$18 million to \$54 million and allow the city to use the funds collected from the 0.50 percent portion of the tourism tax to fund additional capital improvements to parks-based public athletic facilities to support sports tourism.