

HOUSE RESEARCH

Bill Summary

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Overview

This bill expands the use of revenues from two special sales taxes in Duluth, the restaurant and food and beverage tax and the lodging tax. Present law limits use of these taxes to paying \$8 million of convention center bonds. The bill allows the revenues to be used for \$5 million of additional bonds for the Great Lakes Aquarium.

Section

- 1 Duluth food and beverage tax.** Ties the city of Duluth's restaurant, food, and beverage sales tax to the definitions under the sales tax before recodification and enactment of the changes in taxation of prepared food under the Streamlined Sales Tax Project. This tax is imposed a 1.5 percent rate. This section also allows use of the proceeds of the tax for an additional \$4, 970,000 of bonds to finance improvements at the Great Lakes Aquarium. Under present law, these proceeds are limited to paying \$8 million of bonds for the convention center.
- 2 Duluth, lodging tax.** Allows use of the proceeds of the Duluth lodging tax for an additional \$4, 970,000 of bonds to finance improvements at the Great Lakes Aquarium. Under present law, these proceeds are limited to paying \$8 million of bonds for the convention center. This tax has a 1.5 percent rate. The total lodging tax rate in Duluth is 5.5 percent (plus the city's general 1 percent sales tax and the 6.5 percent state general sales tax for a total sales tax rate on lodging in Duluth of 13 percent).