

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 750

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Authors: Dill

Subject: Allows the city of Beaver Bay to impose a local sales tax

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[For a comparison of all local sales tax bills introduced during the 2005 legislative session, go to www.house.leg.state.mn.us/hrd/issinfo/comp05localsal.htm .]

Section

1 City of Beaver Bay; taxes authorized. Allows the city to impose a sales and use tax of one half of one percent and an excise tax of \$20 on motor vehicle sales to fund certain capital projects.

Subd. 1. Sales and use tax authorized. Allows the city to impose a sales and use tax of up to one percent if approved by the voters at the next general election. The statutory local sales tax provisions regarding imposition, administration, collection and enforcement of the tax would apply.

Subd. 2. Use of revenues. Revenues from the local sales tax would be used to fund the following capital projects:

- ▶ pay bonded indebtedness on the city community building;
- ▶ fund recreational facilities;
- ▶ upgrade the water and sewer system;
- ▶ upgrade and replace fire equipment;
- ▶ improve streets.

Section

Subd. 3. Termination of the tax. The local taxes would expire when \$1.5 million has been raised. The city may choose to terminate the tax at an earlier date.