

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 3765
Version: As introduced

DATE: April 20, 2010

Authors: Marquart

Subject: Detroit Lakes food and beverage and entertainment taxes

Analyst: Pat Dalton, 651-296-7434

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

Allows the city of Detroit Lakes to impose a one-half of one percent food and beverage tax and a one percent gross receipts tax to fund a number of projects.

Section

1 City of Detroit Lakes; local taxes authorized.

Subd. 1. Food and beverage tax. Allows the city to impose a one-half of one percent food and beverage tax without a referendum to sales at restaurants and places of refreshment. The tax would apply to on-sale intoxicating beverage sales as well.

Subd. 2. Entertainment tax. Allows the city to impose a one-half of one percent entertainment tax without a referendum on tickets and entrance fees to entertainment such as theatres, concerts, and sporting events.

Subd. 3. Use of proceeds from authorized taxes. Allows the proceeds of the taxes to fund four projects: (1) control of flowering rush infestation, (2) construction and improvement of bike trails, (3) parking improvements for public facilities, and (4) redevelopment of the area returned to the city as part of the Highway 10 realignment.

Subd. 4. Expiration of taxing authority. The taxes expire when the city determines sufficient revenues have been raised to fund the projects listed in subdivision 3, including any associated bond costs.

Subd. 5. Collection, administration, and enforcement. Allows the city to enter into an agreement with the Department of Revenue to collect the authorized taxes. Requires that if the tax is collected by the state the standard collection, administration, and enforcement provisions for general local sales taxes apply.