

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 904
Version: As Introduced

DATE: March 10, 2013

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Subject: Food and beverage and entertainment taxes for the city of Proctor

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Overview

Allows the city of Proctor to impose up to a 1 percent food and beverage tax and a 1 percent entertainment tax. Proceeds from the tax are to fund operating costs related to a number of city facilities and the county fairgrounds, construction of trails, a multiuse civic center and associated parking, costs associated with realigning a road through the fairgrounds, and festival and event coordination, including security.

Section

1 City of Proctor; local taxes authorized.

Subdivision 1. Food and beverage tax. Allows the city to impose a food and beverage tax, including on-sale liquor sales of up to 1 percent by ordinance.

Subd. 2. Entertainment tax. Allows the city to impose up to a 1 percent entertainment tax by ordinance. Taxable “entertainment events” are defined by resolution of the city.

Subd. 3. Use of proceeds. Allows the city to use proceeds from either tax to fund the following:

- operating costs related to the regional recreation center, golf course, community center, and the county fairgrounds
- construction of walking and biking trails

Section

- a multiuse civic center and associated parking
- costs associated with realigning a road through the fairgrounds
- festival and event coordination, including security

Subd. 4. Collection, administration, and enforcement. Allows the city to enter into an agreement with the Department of Revenue for the department to collect the authorized taxes along with the state sales tax.