HOUSE RESEARCH

- Bill Summary -

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Subject: Motor vehicle lease sales tax allocation

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Beginning in fiscal year 2018, the bill removes the dedication of the first \$32 million of the revenue to the general fund. It also removes the 0.375 percent portion of the 6.875 percent sales tax collected upfront on long-term motor vehicle leases. The allocation of the remaining amount will be:

- 50 percent to the greater Minnesota transit account, distributed to transit providers by the Minnesota Department of Transportation; and
- 50 percent to the county state aid highway fund for the Twin Cities Metropolitan "collar counties (that is, the seven metropolitan counties excluding Hennepin and Ramsey), distributed proportionately to the counties based on their population.

Effective beginning July 1, 2017 which affects the FY 2018 deposits.