
This publication focuses on two types of special local taxes: the county transportation sales and use tax and the county transportation excise tax.

Authorization and Allocation

[Minnesota Statutes, section 297A.993](#), authorizes counties to impose two types of transportation taxes. A county may impose:

- a tax of up to 0.50 percent on all retail sales and uses occurring within the county;¹ and
- an excise tax of \$20 per motor vehicle (new or used) purchased within the county.²

The law allows counties to impose both or either of these taxes. The law also restricts the use of the revenue generated from these taxes to the payment of:

- capital costs of transportation projects or improvements and related facilities;
- capital or operating costs of transit project or improvements and related facilities; and
- transit operating costs.

Because the authorization for these taxes is codified in statute, a county wishing to impose a new tax does not need to seek legislative approval. Instead, the tax may be imposed by resolution of the county board. Additionally, counties acting under a joint powers agreement may impose the tax in each county under the agreement with approval by each county board.

The law requires the termination of these taxes once the authorized project is completed; however, termination is not required when the tax is imposed to fund transit operations or projects.

¹ This tax applies to any transaction to which the general state sales tax applies and combines with the state tax as well as any other local taxes imposed by the jurisdiction in which the sale is made.

² The \$20 excise tax is in addition to the motor vehicle sales tax imposed on the sale of motor vehicles under [chapter 297B](#).

History of the Tax

The law authorizing these taxes was created by the legislature in 2008 (see [Laws 2008, chapter 152](#), article 4, section 2). At the time, the legislature created the metropolitan transportation area sales tax in [section 297A.992](#) and the county transportation sales and use tax in [section 297A.993](#).

Originally, the metropolitan transportation area sales tax was created for the counties of Anoka, Dakota, Hennepin, Ramsey, and Washington when these counties formed a joint powers agreement (County Transit Improvement Board), and this tax funded transit projects such as commuter rail, park-and-ride facilities, transitway buses, and light rail vehicles. The tax was limited to a rate of 0.25 percent, but provided for the additional \$20 per motor vehicle excise tax. Additionally, funds were used for studies to determine feasibility and planning of future transit projects. The tax existed in this capacity until September 2017 when the counties dissolved the joint powers agreement.

The language of the County Transportation Sales and Use Tax statute in [section 297A.993](#) provided authority to the 82 counties that were not part of the metropolitan transportation area joint powers agreement to impose a transportation sales and use tax and excise tax. Since the dissolution of the joint powers agreement in 2017, all counties that impose a transportation sales and use tax do so under the authority provided by [section 297A.993](#).

Current Taxes

The table below lists the counties that currently impose one or both of the transportation taxes.³

County	Date Imposed	Tax Rate	Also imposes a \$20 per vehicle excise tax
Anoka	10/1/2017	0.25%	Yes
Becker	7/1/2014	0.50%	No
Beltrami	4/1/2018	0.50%	Yes
Blue Earth	4/1/2016	0.50%	No
Brown	4/1/2016	0.50%	No
Carlton	4/1/2015	0.50%	Yes
Carver	10/1/2017	0.50%	Yes
Cass	4/1/2016	0.50%	No
Chisago	4/1/2016	0.50%	No
Cook	1/1/2017	0.50%	No

³ Counties whose transportation taxes have terminated do not appear in this table.

County	Date Imposed	Tax Rate	Also imposes a \$20 per vehicle excise tax
Crow Wing	4/1/2016	0.50%	No
Dakota	10/1/2017	0.25%	Yes
Douglas	10/1/2014	0.50%	No
Fillmore	1/1/2015	0.50%	No
Freeborn	1/1/2016	0.50%	No
Goodhue	1/1/2019	0.50%	Yes
Hennepin	10/1/2017	0.50%	Yes
Hubbard	7/1/2015	0.50%	No
Kandiyohi	4/1/2018	0.50%	Yes
Koochiching	4/1/2022	0.50%	No
Lake	4/1/2017	0.50%	No
Lyon	10/1/2015	0.50%	No
McLeod	1/1/2020	0.50%	No
Mille Lacs	1/1/2017	0.50%	No
Morrison	1/1/2018	0.50%	No
Mower	1/1/2018	0.50%	No
Nicollet	1/1/2018	0.50%	No
Nobles	1/1/2021	0.50%	No
Norman	7/1/2022	0.50%	No
Olmstead	7/1/2017	0.50%	No
Ottertail	1/1/2016	0.50%	Yes
Pine	1/1/2017	0.50%	No
Polk	1/1/2018	0.25%	No
Ramsey	10/1/2017	0.50%	Yes
Rice	1/1/2014	0.50%	No
Roseau	1/1/2022	0.50%	No
St. Louis	4/1/2015	0.50%	Yes
Scott	10/1/2015	0.50%	Yes
Sherburne	1/1/2019	0.50%	No
Stearns	1/1/2018	0.25%	No
Steele	4/1/2015	0.50%	No

County	Date Imposed	Tax Rate	Also imposes a \$20 per vehicle excise tax
Todd	1/1/2015	0.50%	No
Wabasha	4/1/2016	0.50%	No
Wadena	4/1/2014	0.50%	No
Waseca	4/1/2019	0.50%	No
Washington	10/1/2017	0.50%	Yes
Winona	1/1/2017	0.50%	No
Wright	10/1/2017	0.50%	No

Additional Resources

For the more information on these taxes and other local sales taxes, please look at the guides published by the Minnesota Department of Revenue.⁴



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155

⁴ Webpage: <https://www.revenue.state.mn.us/index.php/local-sales-tax-information>. This webpage provides tools and fact sheets on local sales taxes, including all special local taxes. Some information is updated quarterly.