

**SENATE**  
**STATE OF MINNESOTA**  
**NINETIETH SESSION**

**S.F. No. 2903**

(SENATE AUTHORS: DZIEDZIC, Rest and Bakk)

DATE  
03/05/2018

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6259 Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to taxation; city of Minneapolis; removing limitation on certain local  
1.3 special taxes; amending Laws 1986, chapter 396, section 5, as amended.  
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special  
1.6 Session chapter 5, article 12, section 87, and Laws 2012, chapter 299, article 3, section 3,  
1.7 is amended to read:

1.8 **Sec. 5. LIQUOR, LODGING, AND RESTAURANT TAXES.**

1.9 The city may, by resolution, levy in addition to taxes authorized by other law:

1.10 (1) a sales tax of not more than three percent on the gross receipts on retail on-sales of  
1.11 intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor  
1.12 establishments located within the downtown taxing area, provided that this tax may not be  
1.13 imposed if sales of intoxicating liquor and fermented malt beverages are exempt from  
1.14 taxation under chapter 297A;

1.15 (2) a sales tax of not more than three percent on the gross receipts from the furnishing  
1.16 for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming  
1.17 house, tourist court, or trailer camp located within the city by a hotel or motel which has  
1.18 more than 50 rooms available for lodging; ~~the tax imposed under this clause shall be at a~~  
1.19 ~~rate that, when added to the sum of the rate of the sales tax imposed under Minnesota~~  
1.20 ~~Statutes, chapter 297A, the rate of the sales tax imposed under section 4, and the rate of any~~  
1.21 ~~other taxes on lodging in the city of Minneapolis, equals 13 percent; and~~

2.1 (3) a sales tax of not more than three percent on the gross receipts on all sales of food  
2.2 primarily for consumption on or off the premises by restaurants and places of refreshment  
2.3 as defined by resolution of the city that occur within the downtown taxing area.

2.4 The taxes authorized by this section must not be terminated before January 1, 2047. The  
2.5 taxes shall be imposed and may be adjusted periodically by the city council such that the  
2.6 rates imposed produce revenue sufficient, together with the tax imposed under section 4,  
2.7 to finance the purposes described in Minnesota Statutes, section 297A.994, and section 4,  
2.8 subdivisions 3 and 4. These taxes shall be applied, first, as provided in Minnesota Statutes,  
2.9 section 297A.994, subdivision 3, clauses (1) to (3), and then, solely to pay, secure, maintain,  
2.10 and fund the payment of any principal of, premium on, and interest on any bonds or any  
2.11 other purposes in section 4, subdivision 3 or 4. The commissioner of revenue may enter  
2.12 into appropriate agreements with the city to provide for the collection of these taxes by the  
2.13 state on behalf of the city. These taxes shall be subject to the same interest, penalties, and  
2.14 enforcement provisions as the taxes imposed under Minnesota Statutes, chapter 297A.

2.15 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
2.16 30, 2018.