



**LOCAL SALES AND USE TAX
City of North Mankato**

March 27, 2023

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 565 (Brand) / S.F. 2349 (Frentz)

The city of North Mankato has imposed a sales and use tax of 0.5% since 2008 and a food and beverage tax of 0.5% since 2020.

The sales and use tax is to finance the following projects: the local share of Trunk Highway 14/County State-Aid Highway 41 interchange project, development of regional parks and hiking and biking trails, including construction of indoor regional athletic facilities, expansion of the North Mankato Taylor Library, riverfront redevelopment and lake improvement projects.

The city of North Mankato is also currently authorized to extend the sales and use tax to cover bond issuance of \$15 million. The tax would expire the earlier of December 31, 2038, or when revenues from the taxes first equal or exceed \$15 million plus the amount needed to pay for the issuance of the bonds.

The total authorized bond issuance is increased from \$15 million to \$21 million, and the tax termination date is extended to the earlier of December 31, 2044, or when revenues from the taxes first equal or exceed \$21 million plus the amount needed to pay for the issuance of the bonds.

The bill would have no impact on state taxes.

Minnesota Department of Revenue
Tax Research Division
[https://www.revenue.state.mn.us/
revenue-analyses](https://www.revenue.state.mn.us/revenue-analyses)

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