

Minnesota Vikings Stadium Financing Backup

Myron Frans, Commissioner of Revenue

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Stadium Financing Backup Solution

Step One

- Fund stadium reserve with new revenue

Step Two

- Identify new back-up revenue

Stadium Financing Backup Solution - New Revenue

Step One: Fund stadium reserve with new revenue

- Deposit new, one-time cigarette revenue into stadium reserve account
- \$24.5 million, as finally determined by Tax Conference Committee

Stadium Financing Backup Solution - New Revenue



Stadium Financing Backup Solution - New Back-Up Revenue

Step Two: Identify new back-up revenue

- Use new MN Unitary Sales revenue, as needed, for future stadium funding needs
- \$26 million first year, \$20 million per year thereafter
- Viable, reliable, permanent - if needed

Stadium Financing Backup Solution - New Back-Up Revenue

Example

Corporate Income Tax Owed

Current Law

\$15,000,000

Total MN sales

\$3,000,000

after tax avoidance

$$\begin{array}{l} \$1,000,000 \text{ Total taxable income} \times \frac{\$3,000,000}{\$30,000,000 \text{ Total sales}} = \$100,000 \text{ MN taxable income} \end{array}$$

\$9,800

MN corporate income tax due

MN Unitary Sales

\$15,000,000

Total MN sales

\$15,000,000

Total MN sales

$$\begin{array}{l} \$1,000,000 \text{ Total taxable income} \times \frac{\$15,000,000}{\$30,000,000 \text{ Total sales}} = \$500,000 \text{ MN taxable income} \end{array}$$

\$49,000

MN corporate income tax due

Proposed Change

\$20 million per year as backup stadium financing