

HOUSE RESEARCH

Bill Summary

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Authors: Jaros and others

Subject: Increasing Duluth's local food and beverage tax

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Allows the city of Duluth to increase its existing local food and beverage tax to two and one-quarter percent. The tax is currently imposed at a rate of one and one-half percent. The additional revenue from the tax increase would be used to pay debt service on bonds issued to build a new ice arena at the Duluth Entertainment and Convention Center (the DECC). The tax rate would be reduced when sufficient revenues have been raised to pay the debt service on \$33.7 millions in bonds. No referendum is required for the rate increase.