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Authors: Petersburg and Davids

Subject: Reducing the double dedication of the legacy tax on long-term motor vehicle leases

Analyst: Pat Dalton

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Reduces the amount of “allocated” revenue from the imposition of the 6.875 percent general sales tax on long-term motor vehicle leases by the amount raised by the 0.375 percent of the tax constitutionally dedicated to the legacy trust fund. The effect of eliminating the “double-dipping” of the revenue from the legacy portion of the sales tax will be to reduce the annual payments to the county state-aid fund and the greater Minnesota transit account.

The allocation of the remaining revenue from the 6.5% sales tax is unchanged—with \$32 million first going to the general fund, and the remainder split evenly between the county state-aid highway fund and the greater Minnesota transit account. This provision is in the Governor’s tax bill.

Effective beginning with the transfer occurring on or after July 1, 2017