

HF 1555 1st Engrossment Motor Vehicle Sales Tax, Motor Vehicle Lease Sales Tax & Twin Cities Metropolitan Area Sales Tax

All figures in thousands

1 **Motor Vehicle Lease Sales Tax (MVLST) Changes**

Current Law Distribution	% Distribution	FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23
Metropolitan Counties	38%	38,152	40,090	78,242	41,952	43,434	85,386
Greater MN Transit	38%	38,152	40,090	78,242	41,952	43,434	85,386
Local Bridge Program	13%	13,052	13,715	26,767	14,352	14,859	29,211
HUTD	11%	11,044	11,605	22,649	12,144	12,573	24,717
Total Motor Vehicle Lease Sales Tax Current Law		100,400	105,500	205,900	110,400	114,300	224,700

MVLST - \$32 Million Annually to General Fund, Distribution and Uses Change

Proposed Distribution	% Distribution After General Fund	FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23
<i>General Fund</i>	<i>Flat Rate</i>	32,000	32,000	64,000	32,000	32,000	64,000
<i>Metropolitan Counties (1)</i>	75%	51,300	55,125	106,425	58,800	61,725	120,525
<i>Greater MN Transit</i>	10%	6,840	7,350	14,190	7,840	8,230	16,070
<i>Small Cities</i>	15%	10,260	11,025	21,285	11,760	12,345	24,105
Total Motor Vehicle Lease Sales Tax Proposed		100,400	105,500	205,900	110,400	114,300	224,700

(1) Includes Hennepin County at 20% of Population & Ramsey County at 35% of Population

MVLST Change, not including non-MVLST changes	FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23
<i>General Fund</i>	32,000	32,000	64,000	32,000	32,000	64,000
<i>Metropolitan Counties (1)</i>	13,148	15,035	28,183	16,848	18,291	35,139
<i>Small Cities</i>	10,260	11,025	18,447	11,760	12,345	20,891
<i>Greater MN Transit</i>	(31,312)	(32,740)	(64,052)	(34,112)	(35,204)	(69,316)
<i>Local Bridge Program</i>	(13,052)	(13,715)	(26,767)	(14,352)	(14,859)	(29,211)
<i>HUTD</i>	(11,044)	(11,605)	(22,649)	(12,144)	(12,573)	(24,717)

31 **Motor Vehicle Sales Tax (MVST) Changes**

Current Law Distribution	% of Total	% of Transit	FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23
Highway User Distribution Fund	60%		515,520	548,460	1,063,980	574,140	596,340	1,170,480
Transit Assistance Fund	40%		343,680	365,640	709,320	382,760	397,560	780,320
Metropolitan Area Transit	36%	90%	309,312	329,076	638,388	344,484	357,804	702,288
Greater Minnesota Transit	4%	10%	34,368	36,564	70,932	38,276	39,756	78,032
Total Current Law MVST Distribution			859,200	914,100	1,773,300	956,900	993,900	1,950,800

MVST Tax Rate Increased from 6.5% to 6.875% & Formula Change to 57% HUTD, 43% Transit

	% of Total	% of Transit	FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23
Tax Rate Increased 0.375%			28,700	52,500	81,200	54,900	57,000	111,900
Highway User Distribution Fund	57%		506,103	550,962	1,057,065	576,726	599,013	1,175,739
Transit Assistance Fund	43%		381,797	415,638	797,435	435,074	451,887	886,961
Metropolitan Area Transit	34.5%	80.2%	306,326	333,477	639,803	349,071	362,561	711,632
Greater Minnesota Transit	8.5%	19.8%	75,472	82,161	157,633	86,003	89,327	175,330
Total MVST Distribution			887,900	966,600	1,854,500	1,011,800	1,050,900	2,062,700
MNVST Change not including non-MVST changes								
Highway User Distribution Fund			(9,417)	2,502	(6,915)	2,586	2,673	5,259
Transit Assistance Total			38,117	49,998	88,115	52,314	54,327	106,641

60 **Twin Cities Metropolitan Area Sales Tax**

Metropolitan Council Authorized to Levy 0.5% Sales and Use Tax Applied to Seven Counties

	% of Sales Tax	% of Tab Grants	FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23
0.5% Sales and Use Tax			114,956	280,256	395,212	290,164	300,472	590,636
Transit System Operations & Capital Transportation Advisory Board (TAB)	50%		57,478	140,128	197,606	145,082	150,236	295,318
TAB - Transit Grants Min %		30%	17,243	42,038	59,282	43,525	45,071	88,595
TAB - Roadway Grants Min %		30%	17,243	42,038	59,282	43,525	45,071	88,595
TAB - Non-Motorized Grants Min %		10%	5,748	14,013	19,761	14,508	15,024	29,532
TAB - Flexible %		30%	17,243	42,038	59,282	43,525	45,071	88,595

* Note does not include the DOR administrative cost

77 **Net Transit Change**

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79	Metropolitan Area Transit	FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23
80	<i>Motor Vehicle Sales Tax Change</i>	(2,987)	4,401	1,415	4,587	4,757	9,344
81	<i>Metro Area Sales Tax - Transit</i>	57,478	140,128	197,606	145,082	150,236	295,318
82	<i>Metro Area Sales Tax - TAB Minimum</i>	17,243	42,038	59,282	43,525	45,071	88,595
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84	Total Metropolitan Area Transit Increase*	71,735	186,567	258,302	193,194	200,063	393,257

85 *Does not include potential additional TAB Flexible Grant Awards, up to line 74

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87	Greater Minnesota Transit	FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23
88	<i>Motor Vehicle Sales Tax Change</i>	41,104	45,597	86,701	47,727	49,571	97,298
89	<i>Motor Vehicle Lease Sale Tax Change</i>	(31,312)	(32,740)	(64,052)	(34,112)	(35,204)	(69,316)
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91	Net Greater MN Transit MVST increase & MVLST	9,792	12,857	22,649	13,615	14,367	27,982

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93 Source: MnDOT February 2019 Transportation Funds Forecast & 2019 Govs Recs