

115.02 SALES AND USE

Section 1. City Code Chapter 19, entitled Sales and Use Tax, is hereby added as follows:

CHAPTER 19. SALES AND USE TAX §12.01 AUTHORITY

(A) At the general election held November 2, 2010, the voters of the City of Lanesboro approved the imposition of a one-half percent sales and use tax to pay all or part of the capital costs of improvements to City streets and utility systems and the betterment of City municipal buildings (collectively, the "Improvements"), all as described more fully in the Resolution adopted by the City Council on February 7, 2011.

(B) The Minnesota legislature has, by the laws of Minnesota for 2011, chapter 7, article 4, section 13, authorized the city to impose an additional sales and use tax within the City to provide revenues to pay all or part of the costs of the Improvements. Authorized expenses include, but are not limited to, paying construction and equipment costs related to the Improvements and paying debt service on bonds or other obligations issued by the City to finance the Improvements. The amount of revenue from the tax imposed that may be used to finance the Improvements and any associated bond costs or other obligations is limited to \$800,000. The city approved the act in accordance with applicable law.

§12.02 DEFINITIONS.

The words, terms and phrases used in this chapter shall have the meaning ascribed to them in Minnesota Statutes, Chapter 297A, except where the context clearly indicates otherwise. In addition, the following definitions shall apply:

ACT means the laws of Minnesota for 2011, chapter 7, article 4, section 13, or as may be amended.

CHAPTER means this chapter in its present form and as subsequently codified in the city code.

CITY means the City of Lanesboro.

COMMISSIONER means the commissioner of revenue for the state acting under the authority Of an agreement entered into between the city and the state pursuant to the act, or such other person or entity designated to administer and collect the city's sales and use tax.

DIRECTOR means the Administrator of the City.

RETAILER MAINTAINING A PLACE OF BUSINESS IN THE CITY OR ANY LIKE TERM means any retailer having or maintaining within the City, directly or by a subsidiary or an affiliate, an office, place of distribution, sales or sample room or place, warehouse or other place of business, or having any representative, including an affiliate, agent, sales person, canvasser or solicitor operating in the City under the authority of the retailer or its subsidiary, for any purpose, including the repairing, selling delivering, installation, or soliciting of order of the retailer's goods or services, or the leasing of tangible personal property located in the City, whether the place of business or agent, representative, affiliate, sales person, canvasser, or solicitor, is located in the City permanently or temporarily, or whether or not the retailer or subsidiary is authorized to do business within the City.

LANESBORO SALES AND USE TAX means the sales and use tax imposed and collected pursuant to this chapter.

§12.03 SALES AND USE TAX.

Except as otherwise provided in this chapter, there is hereby imposed an additional excise tax in the amount of one-half of one percent of the gross receipts from the sales at retail, and the storage, use, distribution or consumption of goods or services which are taxable, pursuant to Minnesota Statutes, Chapter 297A and occur within the City of Lanesboro. The imposition, administration, collection and enforcement of this tax shall be governed by the provisions of Minnesota Statutes, Chapters 297A, 270C, and 289A.

§12.04. SEPARATE STATEMENT; COLLECTION FROM PURCHASER, ADVERTISING NO TAX, MINIMUM UNIFORM TAX COLLECTION METHODS.

The Lanesboro sales and use tax shall be stated and charged separately from the sales price or charge for service insofar as practical, and should be a debt from the purchaser to the seller recoverable at law in the same manner as other debts. In computing the tax to be collected as a result of any transaction, any amount of tax less than one-half of one cent may be disregarded and amounts of tax one-half cent or more may be considered an additional cent. If the sales price of any sale at retail is ninety-nine cents or less, no tax shall be collected.

§12.05. EXEMPTION CERTIFICATES.

A fully completed exemption certificate taken from a purchaser to the effect that the property purchased is for resale or that the sale is otherwise exempt from the application of the tax imposed by this chapter will conclusively relieve the retailer from collecting and remitting the tax. A person who has obtained from the Commissioner an exemption certificate pursuant to the Minnesota Statutes, Section 297A may use such exemption certificate for the purposes of the sales tax imposed by the City.

§12.06. PRESUMPTION OF PURPOSE OF SALE.

For the purpose of the proper administration and enforcement of §12.03 of this chapter, it shall be presumed that all retail sales for delivery in the City are for storage, use, or other consumption in the City until the contrary is established.

§12.07. COLLECTION OF SALES AND USE TAX AT TIME OF SALE.

(A) Any retailer making deliveries within the City, any retailer maintaining a place of business in the City, or any other retailer otherwise doing business within the City, upon making sales or any items described in §12.03 which are not exempted from the sales tax imposed under that section and which are to be delivered or caused to be delivered within the City to the purchaser, shall at the time of making such sales collect the sales and use tax from the purchaser. The tax collected by such retailer shall be remitted to the Commissioner on behalf of the City.

(B) Any retailer required to collect the Lanesboro sales and use tax and remit such tax to the Commissioner pursuant to this section shall register with the Commissioner and provide such other information as the Commissioner may require.

§12.08. AGENT OF RETAILER.

When in the opinion of the Commissioner it is necessary for the efficient administration of the tax, the Commissioner may regard any salesman, representative, trucker, peddler or canvasser as the agent of the dealer, distributor, supervisor, employer or other person under whom such salesman, representative, trucker, peddler or canvasser operated or from whom the tangible property is being sold is obtained, and may regard the dealer, distributor, supervisor, employer or other person as a retailer for the purposes of this chapter.

§12.09. EFFECTIVE DATE, TRANSITIONAL SALES.

Except as otherwise provided herein, the Lanesboro sales and use tax authorized by this chapter shall apply to sales made on or after January 1, 2012 and shall be in addition to all other taxes now in effect. The Lanesboro sales and use tax shall not apply to the following:

- (A) The gross receipts from the purchase or lease of tangible personal property made under an enforceable contract entered into before January 1, 2012, provided that delivery or possession of items is taken on or before March 1, 2012.
- (B) The gross receipts from the purchase of taxable services made under an enforceable contract entered into before January 1, 2012 and for which payment was made before January 1, 2012, provided that the services were provided before March 1, 2012.
- (C) The gross receipts from the purchase of construction materials used to complete a lump sum or fixed price construction contract that was signed and enforceable before January 1, 2012, and that does not provide for an allocation of future taxes, provided that the construction materials are used exclusively in performing the contract and the materials are delivered before July 1, 2012.
- (D) The gross receipts from the purchase of utility services if the utility bill includes charges for services furnished before January 1, 2012; however, the Lanesboro sales and use tax shall apply to all utility bills for periods beginning January 1, 2012.

§12.10. COLLECTION AND ENFORCEMENT.

The Lanesboro sales and use tax imposed by the City pursuant to this chapter shall be subject to the same interests, penalties, and other rules as are applicable to the State general sales tax imposed by Minnesota Statutes, Chapters 289A and 297A. The Lanesboro sales and use tax imposed by the City pursuant to this chapter may be collected by the State on behalf of the City as provided by an appropriate agreement with the Minnesota Commissioner or Revenue.

§12.11. TAX CLEARANCE; ISSUANCE OF LICENSES.

The City may not issue or renew a license for the conduct of trade or business in the City if the Commissioner notifies the City that the applicant for such license owes delinquent Lanesboro sales and use taxes as provided in this chapter, or penalties or interest due on such taxes. For the purposes of this section, the following terms have the following meanings:

- (A) Lanesboro sales and use taxes include sales and use tax as provided in this chapter including all penalties and interest due on said sales and use taxes.
- (B) Delinquent taxes do not include a tax liability if:

(1) in administrative or court action which contests the amount of validity or the liability has been filed or served;

(2) the appeal period to contest tax liability has not expired; or

(3) the applicant has entered into a payment agreement and is current with the payments.

(C) Applicant means an individual if the license is issued to or in the name of an individual or the corporation, partnership or other entity if the license is issued to or in the name of a corporation, partnership or other entity.

(D) A copy of the notice of delinquent taxes given to the City shall also be sent to the applicant's taxpayer. In the case of renewal of a license, if the applicant requests a hearing in writing, within thirty (30) days of the receipt of the notice of delinquent taxes, then a contested case hearing shall be held by the Commissioner under the same procedures as provided in Minnesota Statutes, Section 270C.72 for the State sales and use tax imposed under Minnesota Statutes, Chapter 297A, provided that if a hearing must be held on the State sales and use tax, hearings may be combined.

Section 2. Effective date. The effective date of this ordinance shall be the 12th day of September, 2011.