

# Minnesota Vikings Stadium Financing Backup

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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**

**MN Unitary Sales**

\$15,000,000

Total MN sales

\$15,000,000

Total MN sales

\$3,000,000

after tax avoidance

\$15,000,000

Total MN sales

$$\underbrace{\$1,000,000}_{\text{Total taxable income}} \times \frac{\$3,000,000}{\underbrace{\$30,000,000}_{\text{Total sales}}} = \underbrace{\$100,000}_{\text{MN taxable income}}$$

$$\underbrace{\$1,000,000}_{\text{Total taxable income}} \times \frac{\$15,000,000}{\underbrace{\$30,000,000}_{\text{Total sales}}} = \underbrace{\$500,000}_{\text{MN taxable income}}$$

**\$9,800**

MN corporate income tax due

*Proposed Change*

**\$49,000**

MN corporate income tax due

**\$20 million per year as backup stadium financing**