

BILL COMPARISON SUMMARY of

**House File 4, Third Engrossment/
House File 4, Unofficial First Engrossment**

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Sec.	Article 1: Individual Income, Corporate Franchise, and Estate Taxes	Article 1: Income, Corporate and Estate Taxes
1	Housing credit; data practices. Provides a cross reference to the data practices provisions of the housing credit in section 43.	No comparable provision.
2	Beginning farmer program; tax credits. Subd. 1. Definitions. Defines terms: “Beginning farmer” is a resident of Minnesota who: <ul style="list-style-type: none">• is seeking to enter or has entered farming within the last ten years;• intends to provide the majority of physical labor and management to farm on land in Minnesota; and• is not related to the current owner of the agricultural assets that the beginning farmer intends to purchase or rent. “Agricultural assets” includes land, livestock, buildings, and machinery used for farming in Minnesota. “Farming” means active use of real and personal property for production of farm products; which are defined as plants and animals useful to humans. Subd. 2. Tax credit for owners of agricultural assets. Allows an income and franchise tax credit for the sale or rental of agricultural assets to a beginning farmer. The credit equals: <ul style="list-style-type: none">• 5 percent of the sale price of agricultural assets sold to the beginning farmer;• 10 percent of the gross rental income in the first three years of a cash rental agreement with the beginning farmer; and• 15 percent of the cash equivalent in the first three years of a share rent agreement with the beginning farmer. Requires the Rural Finance Authority (RFA) to approve and certify credits. Subd. 3. Beginning farmer management tax credit. Grants an income/franchise tax credit to beginning farmers who participate in an approved financial management program. The credit equals the program costs paid by the farmer, for up to three years of program participation. Subd. 4. Authority duties. Directs the RFA to administer the credit by certifying beginning farmers and owners of agricultural assets, and otherwise assisting beginning farmers. Effective date: Tax year 2017.	No comparable provision.
	Sections 30, 42, and 43 provide a low-income housing credit.	Section 1. Workforce housing credit. Establishes a refundable tax credit for qualified investments in workforce housing projects, effective for tax year

Sec.	Article 1: Individual Income, Corporate Franchise, and Estate Taxes	Article 1: Income, Corporate and Estate Taxes
		<p>2018. Credit certificates and allocations are awarded by DEED.</p> <p>Subdivision 1. Definitions. Provides definitions for the following significant terms:</p> <p>“Developer” is the individual or entity who arranges the financing for and construction of a qualified workforce housing project.</p> <p>“Eligible project site” means the site for the qualified workforce housing project that meets the following criteria:</p> <p>does not require extension of public infrastructure beyond connections to the site; located outside the metropolitan area; a city with at least 500 jobs, as measured by the Quarterly Census of Employment and Wages (QCEW), or within the jurisdiction of an EDA as a joint city/county partnership; and average vacancy rate of four percent or less for any two of the last five years, for market rate residential rental properties located in the municipality and any city within 15 miles or less.</p> <p>“Market rate residential properties” are properties rented at market value, excluding properties constructed with financial assistance for flood recovery and financial assistance that requires the property to be occupied with residents that meet certain income limits.</p> <p>“Qualified investment” means a cash investment or fair market value equivalent for various investment vehicles.</p> <p>“Qualified workforce housing project” means a project:</p> <p>With a minimum of three dwelling units;</p> <p>With an average construction cost between \$75,000 and \$250,000 per unit;</p> <p>Located on an eligible project site;</p> <p>With more than 50 percent of funding from non-state sources; and</p> <p>Designated by the commissioner of DEED as a qualified workforce housing project.</p> <p>“Workforce Housing Undersupply Ratio” means the number of full-time jobs in an eligible project area divided by the number of individuals over 16 that are employed and living in the eligible project area.</p> <p>Subdivision 2. Qualified project investor tax credits. Authorizes a qualified project investor in a qualified workforce housing project to claim a credit of 40 percent of the qualified investment, up</p>

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		<p>to \$1 million per taxable year. The credit is allowed in the first tax year in which the housing workforce housing projects has units certified for occupancy. Authorizes the commissioner of DEED to allocate up to \$2.5 million in credits for tax year 2018.</p> <p>Credit certificates must be issued to the qualified project investor designated in the application and state the amount of the credit. If the project does not have units certified for occupancy within two years of the issuance of the credit certificate, the allocation is cancelled. The commissioner of DEED must notify the commissioner of revenue of credit certificates issued.</p> <p>Subdivision 3. Transfer and revocation of credits. Provides that credits are transferable. Credits must be repaid by the investor if the commissioner of DEED discovers that the qualified project investor did not meet eligibility requirements.</p> <p>Subdivision 4. Reporting. Requires the commissioner of DEED to provide a report to the House and Senate Taxes and Economic Development committees on the program, beginning in 2019.</p>
	<p>Article 12, section 23, repeals the Greater Minnesota internship credit.</p>	<p>Section 2. Greater Minnesota internship credit modification. Modifies the requirements for the Greater Minnesota internship credit to remove the requirements that the employer certify that it would not have hired the intern without the internship credit and that an internship required as part of an academic program does not qualify for the credit. Effective beginning in tax year 2017.</p>
3	<p>Estate tax; return required. Modifies the estate tax filing requirement to apply only to estates with an obligation to file a federal estate tax return.</p> <p>Effective date: Decedents dying after December 31, 2016.</p>	<p>Section 3. Estate tax return filing requirement. Modifies the requirement for filing an estate tax return in connection with the changes to the estate tax exclusion amount in section 26.</p> <p>Effective for estates of decedents dying in 2018 and after.</p>
4	<p>Resident definition – domicile test. Modifies the domicile test under the individual income tax’s definition of “resident,” so that the location of:</p> <ul style="list-style-type: none">the individual’s attorney, certified public accountant, or financial adviser; andthe place of business of a financial institution where the individual opened or maintains an account <p>cannot be considered by the Department of Revenue (DOR) or a court in determining where the individual intends his or her permanent home to be (i.e., the domicile test).</p> <p>Effective date: Tax year 2018.</p> <p>Resident definition – physical presence to obtain medical treatment. The statutory residency test provides that an individual who maintains a permanent dwelling in Minnesota and is physically present in the state for 183 days or more in a</p>	<p>Section 4. Same with regard to the domicile test.</p> <p>Senate bill does not change the statutory residency test for physical presence to obtain medical treatment.</p>

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	<p>calendar year is a resident for income tax purposes. This section provides that days spent in Minnesota by taxpayers who travel to the state primarily to receive medical treatment (for the taxpayer, spouse, or a dependent) do not count as Minnesota days. Requires travel to Minnesota for the treatment to have been claimed as a medical expense deduction on the income tax return for days to count as medical treatment days.</p> <p>Effective date: Tax year 2017.</p>	
	<p>Sections 12 and 37 allow carryover of unused section 179 expensing subtractions.</p>	<p>Sections 5 and 10. Section 179 expensing. Allows the federal Section 179 expensing schedule, beginning with purchases in tax year 2018. For tax years before 2018, the current Minnesota approach would apply and expensing would follow the five year add-back schedule until completed. Effective beginning in tax year 2018.</p>
5	<p>Addition to federal taxable income (FTI); individuals; equity and opportunity in education donations. Requires an add-back to FTI for individuals equal to the amount of the charitable contribution deduction under the federal income tax that is used to claim the equity and opportunity credit in section 35.</p> <p>Effective date: Tax year 2018.</p>	<p>Section 6. Same, except for different cross section reference (section 22).</p>
6	<p>Addition to FTI; individuals; first-time homebuyer accounts. Provides an addition to FTI for distributions from a first-time home buyer account that are not used for an eligible purpose under section 49 or amounts remaining in an account at the end of the tenth taxable year after the account was opened.</p> <p>Effective date: Tax year 2017.</p>	<p>Section 7. Same, except for different cross section reference (section 34).</p>
7	<p>Education expense subtraction. Extends the education expense deduction of up to \$1,625 for each child in grades K-6 to apply to children at least three years old who are in prekindergarten educational programs. Defines qualifying expenses by reference to the expenses allowed under the education credit, which section 22 expands to include nonpublic school tuition and prekindergarten educational programs. Coordinates with expenses allowed under the dependent care credit and the K-12 education credit so as not to allow two tax benefits for the same expense.</p> <p>Effective date: Tax year 2017.</p>	<p>No comparable provision.</p>
8	<p>Section 179 expensing current year allowance. Provides that the addition for the section 179 expensing amounts deducted in computing FTI is determined under section 37, which provides for both the addition under current law and a new carryover allowance.</p> <p>Effective date: Tax year 2017.</p>	<p>Sections 5 and 10 conform to federal section 179 expensing amounts, beginning in tax year 2018.</p>
9	<p>Subtraction for contributions to 529 plans. Allows an income tax subtraction of up to \$1,500 (\$3,000 for married joint filers) of contributions to any state’s section 529 college savings plan or prepaid tuition plan. The subtraction excludes</p>	<p>No comparable provision.</p>

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	amounts that are rolled-over from other college savings plans. The subtraction is limited to taxpayers who do not claim the credit allowed in section 31. Effective date: Tax year 2017.	
10	Social Security. Allows individuals to subtract Social Security benefits from Minnesota taxable income as provided in section 36. Effective date: Tax year 2017.	See House section 36/Senate section 8 , effective in tax year 2017.
11	Subtraction for discharge of indebtedness on education loans. Allows an income tax subtraction for student loan indebtedness discharged by the lender following the borrower’s completion of an income-driven repayment plan that sets monthly payments based on the borrower’s income and family size or through the state teacher shortage loan forgiveness program. Effective date: Tax year 2017.	No comparable provision.
12	Carryover section 179 expensing allowance. Allows a new section 179 expensing carryover allowance as determined under section 37. Effective date: Tax year 2017.	Senate sections 5 and 10 conform to federal section 179 expensing allowances.
13	Subtraction for first-time home buyer accounts. Allows a subtraction from FTI for amounts contributed to and earnings on a first-time home buyer account. The maximum subtraction is \$7,500 (\$15,000 for married joint filers) per year. Phases out the subtraction for taxpayers with incomes from \$125,000 to \$155,000 (\$250,000 to \$310,000 for married joint filers). The phaseout thresholds are indexed for inflation. Effective date: Tax year 2017.	Section 9. Same.
14	Addition to federal taxable income (FTI); corporations; equity and opportunity in education donations. Requires an add-back to FTI for corporate taxpayers equal to the amount of the charitable contribution deduction under the federal income tax that is used to claim the equity and opportunity credit in section 34. Effective date: Tax year 2018.	Section 11. Same.
15	Federal conformity through administrative action. Establishes an administrative method to conform the Minnesota individual income tax and corporate franchise tax laws to extensions of existing federal tax benefits to tax year 2017 that Congress enacts after the legislature adjourns the 2017 regular session. The extension is accomplished by the commissioner of the Department of Revenue (DOR) taking action and allocating money set aside in an account for that purpose. The conformity applies only to the one tax year that ends before the regular legislative session convenes. That is, it does not permanently conform to the extension, if Congress makes the extension permanent (or conform for two years, if Congress	No comparable provision.

Sec.	Article 1: Individual Income, Corporate Franchise, and Estate Taxes	Article 1: Income, Corporate and Estate Taxes
	extends the provisions for two tax years and so forth). Effective date: Day following final enactment.	
	No comparable provision.	Sections 12, 13, and 15. Schedule of rates for individuals, estates, and trusts; inflation adjustment. Section 12 reduces the first tier tax rate for individual filers from 5.35% to 5.0%, effective beginning in tax year 2018. The income brackets are updated for tax year 2018. Section 13 updates the inflation adjustment statute beginning in tax year 2019. Section 15 temporarily reduces the first tier rate from 5.35% to 5.15% for individual filers for tax year 2017 only. The income brackets reflect inflation for 2017. The income threshold for the third tier rate (7.85%) is reduced so more taxpayers will be taxed at the 7.85% instead of the second tier rate (7.05%), thus offsetting the first tier rate reduction.
16	Additional tax; first-time home buyer accounts. Adds a cross-reference in the income tax calculation section to the additional ten percent tax on uses of the first-time home buyer savings accounts for other than eligible costs. Effective date: Tax year 2017.	Section 14. Same.
17	Income tax credit for taxes paid to Wisconsin. Makes the credit for taxes paid to other states refundable for Minnesota residents who had personal or professional income taxed by Wisconsin. The credit would only apply in years in which Minnesota did not have an income tax reciprocity agreement with Wisconsin and essentially provides the same tax treatment to Minnesota residents who work in Wisconsin that they would receive under a reciprocity agreement. Effective date: Tax year 2017.	Section 23. Reciprocity. Different. Authorizes the commissioner of revenue to enter into an income tax reciprocity agreement with the Wisconsin secretary of revenue. Requires that the state with a net revenue loss must receive the amount of that loss by the other state on a quarterly basis. For agreements entered into before October 1, 2017, the amount received by Minnesota must equal net revenue loss minus \$3,000,000. Requires that an agreement with Wisconsin must provide for: suspension of the agreement in case of late payment; the interest rate applied and the duration for which the rate applies; a time for annual reconciliation by October 31 of the year following the year the agreement is in effect; a requirement that each party conduct benchmark studies every five years; a requirement that a list of taxpayers who request exemption from withholding in the state where they work to be made available and exchanged annually; and the sum of the amount of quarterly payments must reasonably estimate the amount of revenue loss. Effective beginning in tax year 2018.

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	Sections 30, 42, and 43 provide a low-income housing credit.	Section 16. Workforce housing credit. Authorizes in the income tax chapter the workforce housing tax credit created in section 1. Pass-through entities pass the credit through to their members as provided in the organization documents. Authorizes the commissioner of revenue to audit compliance with the credit requirements. Effective for tax year 2018.																					
18	Beginning farmer incentive credit; farm assets. Allows a nonrefundable credit against the individual income and corporate franchise tax for taxpayers who sell or rent assets to beginning farmers. Allows a 15 year carryover of unused credits. Effective date: Tax year 2017.	No comparable provision.																					
19	Beginning farmer management credit. Allows a nonrefundable credit against the individual income tax for beginning farmers who participate in an approved financial management program. Allows a three year carryover of unused credits. Effective date: Tax year 2017.	No comparable provision.																					
20	<div>Dependent care credit. Increases the state dependent care credit to equal the federal credit. The credit would follow the phasedown of the federal credit and then be subject to a state phaseout, so that the maximum credit by AGI would be:</div> <div>Maximum State Dependent Care Credit, proposed</div> <table><tr><th>AGI</th><th>Maximum for One Dependent</th><th>Maximum for Two or More Dependents</th></tr><tr><td>Less than \$15,000</td><td>\$1,050</td><td>\$2,100</td></tr><tr><td>\$15,000 to \$43,000</td><td>maximum credit decreases by \$30 for each \$2,000 of AGI over \$15,000</td><td>maximum credit decreases by \$60 for each \$2,000 of AGI over \$15,000</td></tr><tr><td>\$43,000 to \$50,000</td><td>\$600</td><td>\$1,200</td></tr><tr><td>\$50,000 to \$62,000</td><td>Maximum credit decreases by 5% of AGI over \$50,000</td><td>Maximum credit decreases by 5% of AGI over \$50,000</td></tr><tr><td>\$62,000 to \$74,000</td><td>No credit allowed</td><td>Maximum credit continues to decrease by 5% of AGI over \$50,000</td></tr><tr><td>Over \$74,000</td><td>No credit allowed</td><td>No credit allowed</td></tr></table> <div>The state credit would remain refundable, as under current law. The income measure for the state phaseout would change from household income (a relatively broad measure that includes most</div>	AGI	Maximum for One Dependent	Maximum for Two or More Dependents	Less than \$15,000	\$1,050	\$2,100	\$15,000 to \$43,000	maximum credit decreases by \$30 for each \$2,000 of AGI over \$15,000	maximum credit decreases by \$60 for each \$2,000 of AGI over \$15,000	\$43,000 to \$50,000	\$600	\$1,200	\$50,000 to \$62,000	Maximum credit decreases by 5% of AGI over \$50,000	Maximum credit decreases by 5% of AGI over \$50,000	\$62,000 to \$74,000	No credit allowed	Maximum credit continues to decrease by 5% of AGI over \$50,000	Over \$74,000	No credit allowed	No credit allowed	No comparable provision.
AGI	Maximum for One Dependent	Maximum for Two or More Dependents																					
Less than \$15,000	\$1,050	\$2,100																					
\$15,000 to \$43,000	maximum credit decreases by \$30 for each \$2,000 of AGI over \$15,000	maximum credit decreases by \$60 for each \$2,000 of AGI over \$15,000																					
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	nontaxable income) to AGI. Married couples with dependents under age one and family daycare home operators would be eligible for the proposed credit based on deemed expenses in the same manner as they are eligible for the current law credit. Effective date: Tax year 2017.	
21	Dependent care credit; inflation adjustment of phaseout threshold. Provides for the new \$50,000 income threshold for the phaseout in section 20 to be adjusted annually for inflation beginning in 2018.	No comparable provision.
	No comparable provision.	Section 17. Working family credit modification for certain income derived from an Indian reservation. Modifies the working family tax credit to exclude on-reservation earnings of enrolled members of a tribe earned while living on the reservation. Under current law, the credit is apportioned based on the portion of income taxable to Minnesota relative to total income. Minnesota does not tax on-reservation earnings of enrolled tribal members because is it pre-empted from doing so under federal law. For these members, the effect of the apportionment formula is to disallow the credit because if all income is earned on-reservation, then there is no Minnesota taxable income to apportion. This section specifies that income earned on-reservation by enrolled tribal members is not included in the apportionment formula, thus allowing those members to claim the credit. Effective beginning in tax year 2017.
22	Education expense credit. Extends the education tax credit to nonpublic school tuition and to prekindergarten educational programs attended by children who are at least three years old. Defines prekindergarten educational programs as: <ul style="list-style-type: none">• programs established by school districts;• licensed and accredited preschools, nursery schools, and early childhood programs;• Montessori programs; and• child care programs operated by providers with a credential in early childhood development. Coordinates with expenses allowed under the dependent care credit so as not to allow two tax credits to be claimed for the same expense. The credit would be subject to the same income-based phaseout as the current education tax credit. Effective date: Tax year 2017.	No comparable provision.
23	Education expense credit. Increases the maximum education expense credit from \$1,000 to \$1,500 per child. Increases the income at which the credit begins to phase out from \$33,500 to \$42,000 and decreases the rate of phaseout so that the credit would be fully phased out when income reaches \$57,000 for families with one child and would	No comparable provision.

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	extend by an additional \$15,000 for each additional child. Effective date: Tax year 2017.	
24	Education expense credit; inflation adjustment of phaseout threshold. Provides for the phaseout threshold for the education expense credit to be adjusted annually for inflation, beginning in tax year 2018.	Section 18. Inflation adjustment, K-12 credit. Indexes the credit amount (\$1,000 per child) and the income threshold at which the credit begins to phase out (\$33,500) to claim the K-12 expenses credit, beginning in tax year 2019.
25	Research credit rate. Increases the credit rate under research credit that applies to the second tier (qualifying research expenditures in excess of \$2 million) from 2.5 percent to 4 percent. Effective date: Tax year 2017.	No comparable provision.
26	Research credit; definitions. Recodifies the definition of “liability for tax” under the research credit to the definition subdivision of statute and expands it to allow the credit to reduce alternative minimum tax (both individual and corporate franchise). Effective date: Tax year 2017.	Sections 19 and 20. R&D credit; alternative simplified calculation election. Provide a new definition for the base amount for taxpayers making the ASC election equal to 50 percent of the average of qualified research expenses for the three previous taxable years prior to the year the credit is claimed. Under current law, the base amount is a percentage of qualified expenses in tax years 1984 to 1988, up to 16 percent. Authorizes taxpayers to elect the alternative simplified credit (ASC) calculation. The taxpayer may revoke the election at any time.
27	Research credit; carryover. Makes conforming changes in the carryover subdivision to be consistent with changes made in sections 26 and 28. Effective date: Tax year 2017.	No comparable provision.
28	Research credit; limited refundability. Provides that the first \$100,000 of the research credit that exceeds liability is refundable. For pass-through entities, the limit on refundability also applies at the entity level; each entity is required to allocate and report the maximum limit on the refundability to its shareholders or partners. Unitary businesses are required to use the authority to apportion excess credit to other members of the business before allowance of the \$100,000 limit. Effective date: Tax year 2017.	No comparable provision.
29	Student loan credit. Allows a refundable income tax credit for principal and interest payments on higher education loans used to pay for the costs of attending an undergraduate or graduate degree program at an educational institution eligible for federal financial aid. Only payments made by an eligible individual on the individual’s qualified education loans qualify for the credit. If both the taxpayer and the taxpayer’s spouse have qualified loans, each may claim the credit. The credit equals the least of the following: <div><div>(1) Eligible loan payments minus ten percent of an individual’s adjusted gross income in excess of \$10,000.</div><div>(2) The earned income of the individual for the taxable year.</div><div>(3) The sum of:</div></div>	Section 38. Student loan credit. Similar. Senate excludes combat pay from definition of “earned income”; House does not. House credit is refundable; Senate credit is nonrefundable. Senate credit amount is up to \$700 for eligible individuals (\$1,400 for married joint filers) equal to a specified percentage of student loan payments in excess of ten percent of adjusted gross income; credit rates are 75 percent for individuals in an education profession, 65 percent for individuals in all other public service jobs, and 50 percent for all other eligible individuals.

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	<ul style="list-style-type: none">the interest portion of eligible loan payments during the taxable year; andten percent of the original loan amount of all qualified education loans of the individual. <p>(4) \$750.</p> <p>Effective date: Tax year 2017.</p>	<p>Senate allows credit without regard to individual’s participation in a public service loan forgiveness program.</p> <p>House credit is ongoing; Senate is limited to tax years 2017 and 2018.</p>
30	<p>Minnesota housing tax credit. Allows a credit against the individual income, corporate franchise, and insurance premiums tax equal to the amount allocated to the taxpayer by the commissioner of MHFA or a suballocator as provided in section 43. The credit may be claimed for six years—the year in which the agency allocates the credit and the five following tax years. Allows unused credit amounts to be carried over for 11 tax years and allows credits to be assigned to other taxpayers.</p>	<p>Sections 1 and 16 allow a credit for workforce housing.</p>
31	<p>Section 529 college savings plan credit. Allows a refundable income tax credit for contributions to any state’s section 529 college savings plan, including prepaid tuition plans.</p> <p>The credit equals 50 percent of contributions, up to a maximum of \$500.</p> <p>For individual filers, the maximum credit is phased out by two percent of adjusted gross income in excess of \$75,000. The credit is fully phased out for individual filers at \$100,000 of adjusted gross income. For married couples filing joint returns, the maximum credit is phased out in two stages, and is fully phased out when AGI reaches \$160,000. Revokes credits from individuals who withdraw contributions from an account for purposes other than qualified higher education expenses (e.g., tuition, fees, books, or the student’s living expenses). Effective date: Tax year 2017.</p>	<p>No comparable provision.</p>
32	<p>Stillbirth credit. Clarifies that the stillbirth credit enacted in Laws 2016, chapter 189, may be claimed by the birth mother, unless the birth mother is a surrogate, in which case the credit is claimed by the parent listed first on the certificate of birth resulting in stillbirth. Effective retroactively to tax year 2016, the first year the credit was allowed.</p>	<p>No comparable provision.</p>
33	<p>Credit for attaining master’s degree in teacher’s licensure field. Allows a refundable individual income tax credit of \$2,500 to licensed K-12 teachers who complete a master’s degree program in a core content area directly related to their field of licensure. Limits the credit to the amount a teacher pays for tuition, fees, and instructional materials, excluding amounts paid by the teacher’s employer or through a scholarship. Limited to teachers who begin a program after June 30, 2017.</p> <p>Effective date: Tax year 2017.</p>	<p>Section 21. Similar. Senate credit is nonrefundable, and is limited to the amount the teacher pays for tuition, fees, and instructional materials, excluding amounts paid by the teacher’s employer or through a scholarship.</p>
34	<p>Fitness facility credit. Allows an employee fitness facility income tax credit equal to \$2.50 for each month in which the employee uses a fitness facility on at least eight days (the maximum credit is \$30 for the year). For a married couple, each spouse can</p>	<p>No comparable provision.</p>

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	<p>qualify for the credit. The credit is not refundable (i.e., it is limited to the employee’s income tax liability) and applies to employer payments that either directly pay fitness facility expenses for the employee or reimburse the employee for expenses he or she pays.</p> <p>Effective date: Tax year 2018.</p>	
35	<p>Equity and opportunity in education tax credit.</p> <p>Subd. 1. Definitions. Defines terms for this section. Key terms are:</p> <p>“Eligible student” is a Minnesota resident child whose household has annual income less than 200 percent of the income standard used to qualify for the federal reduced-price lunch program (200 percent of the reduced-price lunch income standard for the current school year is \$89,910 for a family of four). A child who was eligible in a previous year remains eligible, without regard to changes in the family’s income.</p> <p>“Qualified charter school” is a charter school at which at least 30 percent of students qualify for the federal free or reduced-price lunch program.</p> <p>“Qualified foundation” is a 501(c)(3) nonprofit organization.</p> <p>“Qualified grant” means a grant from a foundation to a charter school.</p> <p>“Qualified public school foundation” means a qualified foundation that supports the mission of one or more public schools or districts at which at least 30 percent of students qualify for the federal free or reduced-price lunch program.</p> <p>“Qualified scholarship” means a payment from a foundation either to a parent or to a qualified school for the cost of a child’s tuition for enrollment.</p> <p>“Qualified school” means a nonpublic elementary or secondary school in Minnesota at which a student may fulfill the state’s compulsory attendance laws.</p> <p>Subd. 2. Credit allowed. Allows a credit equal to 70 percent of the amount contributed to a qualified foundation. Foundations other than public school foundations must award scholarships to eligible students, or make grants to qualified charter schools, or both. Public school foundations must make direct expenditures in support of public schools. The maximum annual credit is \$21,000 for married joint filers, \$10,500 for other individual filers, and \$105,000 for corporations. Allows credits that exceed the liability for tax to be carried forward for five tax years.</p>	<p>Section 22. Equity and opportunity in education credit. Similar.</p> <p>Senate allows credits for contributions that fund scholarships and transportation scholarships. House allows for scholarships, grants to charter schools, and donations to public school foundations.</p> <p>Senate authorizes \$35 million in credits per year; House authorizes \$27 million for scholarships in tax year 2018, and \$13.5 million per year in following years, and \$3 million for grants to charter schools and donations to public school foundations in 2018, and \$1.5 million per year in following years.</p> <p>House allows authorized amounts not allocated in a tax year to carry over and be available in future years; Senate does not.</p> <p>Senate requires that an individual with a disability must not be excluded from participation in or be subject to discrimination under a program or activity funded by a scholarship authorized in this section; House does not.</p> <p>House exempts the commissioner from administrative rulemaking in administering the credit; Senate does not.</p>

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	<p>Subd. 3. Application for credit certificates. Requires taxpayers to apply to the commissioner of revenue for tax credit certificates, which are available on a first-come, first-served basis beginning on January 1 of each year until the maximum statewide credit amount is reached. The maximum for donations to foundations that award scholarships is \$27 million in tax year 2018, and \$13.5 million per year beginning in tax year 2019. The maximum for donations to public school foundations and foundations that award grants to charter schools is \$3 million in tax year 2018 and \$1.5 million per year beginning in tax year 2019.</p> <p>Subd. 4. Responsibilities of qualified foundations.</p> <p>(a) Entities must apply to the commissioner to be qualified foundations.</p> <p>(b) Also requires foundations to provide receipts to taxpayers who make donations and (d), if it awards scholarships, to annually verify that each school to which it awards scholarships:</p> <ul style="list-style-type: none">• complies with health and safety laws;• holds a valid occupancy permit if required;• certify that it adheres to the provisions of the U.S. Civil Rights law and the Human Rights chapter of Minnesota law; and• provide regular reports to parents on student progress. <p>(c) Requires participating foundations that award scholarships to:</p> <ul style="list-style-type: none">• award scholarships to eligible students;• not restrict scholarships to any one qualified school;• not charge fees to scholarship applicants; and• require schools receiving payment of tuition through a scholarship to not use different admissions standards for scholarship students. <p>(e) Requires foundations to make annual reports on the use of donations.</p> <p>Subd. 5. Commissioner duties. Requires the commissioner of revenue to make applications for qualified foundations available by August 1 of each year, and to approve or deny applications within 60 days. Requires the commissioner to post a list of qualified foundations on the Department’s website by November 15 of each year. Directs the commissioner to develop standard forms for use as receipts and in reporting, conduct audits</p>	

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	<p>of foundations after finding evidence of fraud or intentional misreporting, and bar from participation a foundation that intentionally and substantially fails to submit information as required in subdivision 4.</p> <p>Effective date: Tax year 2018.</p>	
36	<p>Social Security. Allows filers with provisional income less than a threshold amount to subtract Social Security benefits in computing Minnesota taxable income. The threshold is \$61,000 (married joint) or \$46,500 (all other filers) for tax years 2017 and 2018 and increases to \$72,000 (married joint) and \$56,000 (all other filers) beginning in tax year 2019. Phases out the subtraction for filers with income over the threshold.</p>	<p>Section 8. Subtraction for Social Security benefits. Authorizes a subtraction of Social Security benefits for purposes of calculating Minnesota taxable income. The subtraction equals the lesser of the amount of benefits, or: \$2,500 for married joint filers; \$1,955 for single or head of household filers; and \$1,250 married couples filing separate returns. The subtraction is reduced by 2.5% of the following amounts of provisional income: for every \$960 over \$76,000 for married joint filers; for every \$750 over \$60,200 for single or head of household filers; and for every \$480 over \$38,500 for married taxpayers filing separate returns. Effective beginning in tax year 2017. The amounts specified are adjusted annually for inflation beginning in tax year 2018.</p>
37	<p>Section 179 expensing allowances. Allows individual income taxpayers to carry over excess section 179 expensing subtractions (i.e., the amount of the subtractions that exceed taxable income or if claimed would reduce Minnesota taxable income to a negative amount) for up to ten tax years.</p> <p>Minnesota has not conformed to federal increases in section 179 expensing allowances above the \$25,000 limit. This arrangement can result in an individual income taxpayer being unable to claim or use the full allowance to reduce their taxable income for Minnesota purposes. Because current law does not allow these “excess” deduction amounts to carry over to a later year, they are essentially “lost”—that is, they can never be used to reduce taxable income used to compute Minnesota tax. The bill does not authorize carryovers for C-corporations because they can claim the unused amounts as part of their net operating loss deduction, which is separately calculated for Minnesota purposes. Net operating losses for individuals are included in the calculation of FTI the starting point for the Minnesota tax.</p> <p>Effective date: Tax year 2017.</p>	<p>Sections 5 and 10 conform to federal section 179 expensing allowances, effective in tax year 2018.</p>
38	<p>Alternative minimum tax; definitions. Allows the subtractions for Social Security benefits in section 10, discharge of indebtedness income in section 11, the section 179 carryover allowance in section 12, and the first-time homebuyer subtraction in section 13 for the purposes of the state alternative minimum tax.</p> <p>Effective date: Tax year 2017.</p>	<p>Section 24. Alternative minimum tax. Same with regard to Social Security and first-time homebuyers.</p>
39	<p>Estate tax; domicile definition. Extends application of section 4’s rules to the definition of domicile under the estate tax.</p>	<p>Section 25. Similar; House cross reference to 290.01 subdivision 7, paragraphs (c) and (d); Senate only paragraph (c). Language has the same effect since House paragraph (d) contains definitions,</p>

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	Effective date: Decedents dying after December 31, 2016.	while paragraph (c) contains the substantive change to how domicile is determined.
40	Estate tax subtractions. Repeals the estate tax subtractions for qualified small business and qualified farm properties and allows a subtraction for the federal estate and gift tax exclusion amount in computing the Minnesota taxable estate. The federal amount is \$5.49 million for decedents dying in 2017 and is indexed for inflation. Effective date: Decedents dying after December 31, 2016.	Section 26. Estate tax subtraction. Modifies the calculation of the subtraction available for purposes of calculating the Minnesota taxable estate. The qualified small business and farm property subtraction is modified to reflect the increased general exclusion amount, beginning for estates of decedents dying in 2018. The combined available exclusion amount for the general exclusion and the qualified small business and farm property subtraction equals \$5 million, until 2022, when the general exclusion from the Minnesota taxable estate equals \$5 million. Minnesota would conform to the federal exclusion amount for estates of decedents dying in 2023 and thereafter. Effective for estates of decedents dying in 2018 and after.
41	Estate tax rates. Repeals the estate tax rates that apply to decedents dying before 2018 and adjusts the permanent tax rate schedule to drop the brackets that applied to the dollar value of estates below the federal exclusion amount. Effective date: Decedents dying after December 31, 2016.	Section 27. Estate tax rates. Provides new rates and thresholds for purposes of calculating the Minnesota taxable estate. Effective for estates of decedents dying in 2018 and thereafter.
42	Minnesota housing credit. Allows the housing credit in section 43 to be claimed against the insurance premiums tax. Effective date: Tax year 2017.	Sections 1 and 16 allow a credit for workforce housing.
43	Minnesota housing credit. Subd. 1. Definitions. Defines terms used in administering the Minnesota housing tax credit, including: <ul style="list-style-type: none">• “Compliance agreement” is the agreement between MHFA or a suballocator and the property owner, including a recorded affordable housing restriction for the 15 year “compliance period.”• “Eligibility statement” is the statement issued by MHFA or a suballocator that documents allocation of a credit.• “Greater Minnesota” means the area outside of the seven-county metropolitan area.• “Qualified Minnesota project” means a project in Minnesota that is financed with tax exempt bonds and is eligible for the federal low-income housing credit, whether or not it received a federal credit.• “Suballocator” means a local government unit that is authorized to allocate federal credits under the Minnesota credit allocation system. Subd. 2. Credit allocation. Authorizes MHFA and suballocators to allocate \$7 million in credits per year in tax years 2017 to 2020 to projects eligible for the federal low-	Sections 1 and 16 allow a credit for workforce housing.

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	<p>income housing tax credit and that the commissioner determines are not financially feasible without the credit. Credit amounts allocated in each year may be claimed annually for a total of six years, for a total of \$168 million in credits allowed over the six-year period. The Minnesota credit equals one-sixth of the federal credit, so that the total state credit allowed for a project over six years equals the total federal credit allowed over the ten-year federal credit period. Any portion of the annual \$7 million not allocated in the tax year in which it is first available may be allocated in subsequent tax years. Half of Minnesota credits must be allocated to projects in Greater Minnesota.</p> <p>Subd. 3. Credit allowed. Requires the commissioner or a suballocator to provide eligibility statements to project owners, which the owner will use to claim the credit over the six tax years allowed or to assign the credit to another taxpayer.</p> <p>Subd. 4. Credit duration. Allows a Minnesota housing credit to be allocated to any one project only one time, with the credit allowed in the year of allocation and the five following tax years, the “Minnesota credit period.”</p> <p>Subd. 5. Recapture. Requires repayment of a percentage of credits by the owner originally issued an eligibility statement if a project fails to meet the terms of the compliance agreement. Recaptured credits go to the general fund. The recapture schedule is as follows:</p> <table><tr><th>Year of Compliance Period</th><th>Percent of Credit Recaptured</th></tr><tr><td>1</td><td>100%</td></tr><tr><td>2</td><td>83%</td></tr><tr><td>3</td><td>66%</td></tr><tr><td>4</td><td>49%</td></tr><tr><td>5</td><td>32%</td></tr><tr><td>6 and later</td><td>16%</td></tr></table> <p>Subd. 6. Data privacy. Makes data related to Minnesota housing credits private, except the location of the qualified housing project is public.</p> <p>Subd. 7. Report. Requires reporting in the year following credit allocations to the legislative committees with jurisdiction over housing and taxes.</p>	Year of Compliance Period	Percent of Credit Recaptured	1	100%	2	83%	3	66%	4	49%	5	32%	6 and later	16%	
Year of Compliance Period	Percent of Credit Recaptured															
1	100%															
2	83%															
3	66%															
4	49%															
5	32%															
6 and later	16%															
44	Citation; first-time home buyer accounts. Names the new chapter proposed “The First-Time Home Buyer Savings Account Act”.	Section 29. Same.														

Sec.	Article 1: Individual Income, Corporate Franchise, and Estate Taxes	Article 1: Income, Corporate and Estate Taxes
45	<p>Definitions; first-time home buyer accounts. Defines terms, including:</p> <ul style="list-style-type: none">• Account holder is the person establishing the account—this need not be the home buyer. For example, a parent could establish an account for a child and take the subtraction for contributions and earnings.• Commissioner is the commissioner of DOR.• Eligible costs are a down payment or closing costs for a single family residence for a qualified beneficiary.• Financial institution includes banks, credit unions, savings banks, and similar institutions, as well as money market mutual funds.• First-time home buyer is someone who does not own a principal residence for the three-year period ending on the earlier of: (1) the purchase of the home funded with the proceeds from the account; or (2) the end of last tax year in which a subtraction was claimed for the account.• First-time home buyer savings account is an account held in a financial institution that is designated by the account holder as a first-time home buyer savings account.• Principal residence has the same meaning used in the capital gain exclusion under the federal income tax (Internal Revenue Code, section 121).• Qualified beneficiary must be: (1) a Minnesota resident; (2) a first-time home buyer; and (3) designated as the beneficiary on the account.• Single-family residence means a single-family residence located in Minnesota that is the first-time home-buyer’s principal residence and may include a manufactured home, trailer, mobile home, condominium unit, townhome, or cooperative.	<p>Section 30. Same.</p>
46	<p>Establishment of first-time home buyer accounts. Authorizes an individual to open a first-time home buyer account at a financial institution. A beneficiary must be designated (can be either the individual opening the account or someone else) by April 15 of the year after the account is opened. The beneficiary can be changed at any time, but this does not extend the ten-year limitation on an account’s duration under section 49.</p> <p>Designation is to be done through DOR. DOR is directed to establish a process for reporting on various aspects of the accounts.</p> <p>Married individuals who file joint tax returns may own joint accounts. Accounts must have only one designated beneficiary, other than a married couple. An individual may own multiple accounts, but each</p>	<p>Section 31. Same.</p>

Sec.	Article 1: Individual Income, Corporate Franchise, and Estate Taxes	Article 1: Income, Corporate and Estate Taxes
	<p>must be for a separate beneficiary (i.e., no one can own multiple accounts for the same beneficiary).</p> <p>Contributions to accounts must be made in cash.</p>	
47	<p>First-time home buyer account holder responsibilities. Requires account holders to report to DOR:</p> <ul style="list-style-type: none">information on the account (to be specified by DOR under section 48, which directs DOR to establish reporting requirements);the eligible costs paid with amounts withdrawn from the accounts; andamounts remaining in the account after payment of eligible costs or at the end of the ten-year duration limit. <p>Account holders are allowed to transfer amounts from one first-time home buyer savings account to another designated first-time home buyer account, either at the same or a different financial institution. Deductions by financial institutions of service fees are permissible uses, but account holders are otherwise not permitted to use an account to pay for administering it.</p>	<p>Section 32. Same.</p>
48	<p>Financial institutions; first-time home buyer accounts. Clarifies that financial institutions have no statutory duties with respect to the accounts, such as designating accounts, tracking their use, reporting to DOR (except as otherwise required by law), or otherwise ensuring that account holders are complying with the program requirements under the statute. These responsibilities will fall only on the account holders and DOR.</p>	<p>Section 33. Same.</p>
49	<p>First-time homebuyer accounts; income tax subtraction and addition; additional tax. Specifies the amounts qualifying for the subtraction from FTI under section 13, the addition to FTI under section 6, and the additional tax under section 16.</p> <p>The subtraction equals the amount contributed to the account during the tax year, which cannot exceed \$5,000 (\$10,000 for married joint filers) and the interest or dividends earned on the account. Section 13 imposes higher total limits (\$7,500 and \$15,000), which apply to contributions to and earnings on all accounts.</p> <p>The addition equals amounts withdrawn from an account during the tax year and not used for eligible costs and amounts remaining at the end of the tenth tax year after the account was opened. If amounts are transferred between two accounts, the ten-year period is calculated based on the shortest period that applies to either account.</p> <p>A 10 percent additional tax applies to withdrawals that are not used for eligible costs or on the amount remaining in the account at the end of the tenth taxable year after the account was opened. The additional tax does not apply to amounts remaining</p>	<p>Section 34. Same.</p>

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	after the designated beneficiary's death or disability or amounts distributed through bankruptcy.	
	S.F. 605, the second unofficial engrossment, article 1, section 14, subdivision 2, paragraph (d) , appropriates \$160,000 onetime in fiscal year 2018 to the commissioner of revenue to administer the first-time home buyers program. The appropriation cancels if the program is not enacted.	No comparable provision.
50	Recapture tax; eminent domain. Provides that transfer of qualified farm or small business property to a governmental entity with eminent domain powers does not trigger imposition of recapture tax under the estate tax. This is a temporary provision, since section 51 repeals the recapture tax. Effective retroactive to the original effective date of the recapture tax.	Section 28. Recapture tax. Similar; Since Senate bill retains the recapture tax until 2022, the eminent domain exception is codified.
	Section 17 allows a refundable credit for Minnesota residents who work in Wisconsin.	Section 35. Income tax reciprocity benchmark study. Requires the Department of Revenue, in conjunction with the Wisconsin Department of Revenue, to conduct a study to determine the number of residents from each state who earn income from personal services in the other state; and the total amount of income earned by these residents; and the change in tax revenue in each state if a reciprocity agreement were resumed. The Department of Revenue must submit a report to the House and Senate tax committees by March 1, 2019. The study may only be conducted if the Wisconsin Department of Revenue fully participates.
	No comparable provision.	Section 36. Pension income report. Requires the commissioner of revenue, in conjunction with the Legislative Commission on Pensions and Retirement (LCPR), to submit a report to the legislative committees on taxes and to the LCPR regarding the number of Minnesota recipients, including survivors, of basic member pension plans, federal pension plans, and other states' pension plans, who do not also receive social security benefits. The average and median amount of benefit received for these plans is also required in the report. Requires the report to include a recommendation for the amount of a subtraction for annuities or benefits that would be proportionate to the subtraction for social security benefits under section 8.
	S.F. 605, the second unofficial engrossment, article 2, sections 51 and 59 , requires a free income tax filing program administered by Department of Revenue. A pilot program must be available by January 15, 2018.	Section 37. Report of free electronic filing for individual income tax returns. Requires the Department of Revenue to provide a written report to the Senate and House Tax Committees on options for a free electronic filing system for individual income tax returns, effective the day following final enactment. The report must be submitted by March 16, 2018, and must include responses from a Department request for information from consumer-based tax filing software vendors.

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		<p>The request for information may include information sought from vendors on several aspects of a free e-filing solution:</p> <p>Costs to the state of Minnesota to provide an e-filing process for the preparation, submission, and payment remittance of individual income tax returns, on a per return basis;</p> <p>Capability to provide customer service and issue resolution to taxpayers using the software;</p> <p>Capability to provide and maintain an appropriate link between the Department of Revenue and the IRS Modernized Electronic Filing Program;</p> <p>Capability to ensure that taxpayer return information is secure and protected;</p> <p>Products for the free filing and submitting of both Minnesota and federal returns offered to customers and the various thresholds for using those products; and Any add-on products offered to customers and their costs.</p>												
	No comparable provision.	Section 39. Taxpayer assistance grants appropriation. Appropriates \$200,000 in fiscal years 2018 and 2019 only from the general fund to the commissioner of revenue to provide taxpayer assistance grants. Up to five percent may be used for program administration. Any unencumbered balance may be carried over to the next year. Under current law, the taxpayer assistance grants program awards grants to nonprofit organizations to help provide taxpayer assistance services. This bill also clarifies that “taxpayer assistance services” means accounting and tax preparation services provided by volunteers to low-income, elderly, and disadvantage residents to assist in the filing of state and federal returns and property tax refund claims.												
51	<p>Repealer. Paragraph (a) repeals various provisions that are obsolete as a result of allowing subtraction of the federal estate tax exclusion amount.</p> <table><tr><th>Section</th><th>Description</th></tr><tr><td>289A.10, subd. 1a</td><td>Filing requirement for recapture tax—e.g., if qualified heirs fail to use farm or small business exemption property as required by their agreement</td></tr><tr><td>289A.12, subd. 18</td><td>Filing requirement for information returns to verify compliance with the qualified farm and small business exemptions</td></tr><tr><td>289A.18, subd. 3a</td><td>Due dates for filing recapture tax returns</td></tr><tr><td>289A.20, subd. 3a</td><td>Payment dates for recapture returns</td></tr><tr><td>291.03, subd. 8</td><td>Definitions related to qualified farm and small business property</td></tr></table>	Section	Description	289A.10, subd. 1a	Filing requirement for recapture tax—e.g., if qualified heirs fail to use farm or small business exemption property as required by their agreement	289A.12, subd. 18	Filing requirement for information returns to verify compliance with the qualified farm and small business exemptions	289A.18, subd. 3a	Due dates for filing recapture tax returns	289A.20, subd. 3a	Payment dates for recapture returns	291.03, subd. 8	Definitions related to qualified farm and small business property	Section 40. Repealer. Similar with regard to estate tax; different effective date.
Section	Description													
289A.10, subd. 1a	Filing requirement for recapture tax—e.g., if qualified heirs fail to use farm or small business exemption property as required by their agreement													
289A.12, subd. 18	Filing requirement for information returns to verify compliance with the qualified farm and small business exemptions													
289A.18, subd. 3a	Due dates for filing recapture tax returns													
289A.20, subd. 3a	Payment dates for recapture returns													
291.03, subd. 8	Definitions related to qualified farm and small business property													

Sec.	Article 1: Individual Income, Corporate Franchise, and Estate Taxes		Article 1: Income, Corporate and Estate Taxes
	291.03, subd. 9	Qualified small property exemption	
	291.03, subd. 10	Qualified farm property exemption	
	291.03, subd. 11	Imposition of recapture tax	
	Paragraph (b) repeals the phaseout of the dependent care credit, which is moved to section 20.		

Sec.	Article 2: Property Taxes	Article 2: Property Taxes
1	Allowed commercial and industrial operations. Allows cell towers to be installed on property within an agricultural preserve in greater Minnesota.	Section 1. Same.
2	County levy authority and special taxing districts. Requires a county to treat its levy for a soil and water conservation district as a special taxing district and requires that the levy for this district be certified separately.	No comparable provision.
	No comparable provision.	Section 2. County historical society. Allows cities and towns to make appropriations from its general fund to the historical society of its respective city, town, or county. Current law allows for payment to a county historical society only.
3	Secondary liquid agricultural chemical containment facilities. Modifies the agricultural containment facilities exemption to apply to secondary containment tanks, cache basins, and berms. Effective retroactively for taxes payable in 2016.	No comparable provision.
4	Apprenticeship training facilities. Modifies the criteria under which township property may qualify for the training facilities exemption by lowering the population threshold to 1,400. (Haverhill Township, Olmsted County)	Section 4. Same.
5	Electric generation facility; personal property. Provides an exemption from taxes and payments in lieu of taxes for a new electric generating facility owned by a municipal power agency in or near Owatonna.	No comparable provision.
	No comparable provision.	Section 5. Exemption; certain property owned by an Indian tribe. Provides a twelve-year property tax exemption for certain Indian-owned property. To qualify for the exemption, the property must be: (1) located in a city of the first class with a population less than 100,000 according to the 2010 federal census; (2) owned by a federally recognized Indian tribe, or its instrumentality, on January 1, 2016, and for the current assessment; and (3) used exclusively as a medical clinic. Effective for taxes payable in 2017 through 2028.
6	Leased seasonal-recreational land. Makes changes to the law affecting the taxation of land leased from governmental units by private entities and used for seasonal-recreational purposes. <ul style="list-style-type: none">Automatically exempts land leased from the state, a county, a city, or a town from taxation, whereas under current law, exemption requires county approval (for land leased from the federal government, the exemption is already automatic).Eliminates the requirement that in order to qualify for exemption, the property had to be exempt in 2008 and rented for the same purpose. Allows the exemption for homesteaded resort property, whereas under current law, it applies only to noncommercial seasonal-recreational property.	No comparable provision.
7	Definitions; wind energy production systems. Changes the definition of how multiple wind energy elements can be combined to determine the	Section 6. Same.

Sec.	Article 2: Property Taxes	Article 2: Property Taxes
	appropriate size category, which determines the production tax rate. Allows multiple small wind energy producers in the same area with some combined system elements to retain their status as separate small-scale producers for tax purposes.	
8	Restrictions on transfers of specific parts. Allows a county to review a deed conveying a parcel of land for transfer or division for conformity with the county’s land use regulations.	No comparable provision.
9	Manufactured home park cooperative. Eliminates a specific prohibition against ground lease payments being included as part of property taxes payable for shareholders of manufactured home park cooperatives when filing for the homestead credit refund.	No comparable provision.
10	Special agricultural homestead rules. Eliminates language allowing certain special agricultural homesteads owned by grantor trusts to qualify for homestead property tax status. This language is moved to section 11, which contains most of the rules relating to trust ownership of homestead and agricultural homestead property.	No comparable provision.
11	Trust property; homestead. Allows agricultural land and other property (e.g., the house, garage, and agricultural buildings) to qualify as a homestead when all or portions of the property are owned by a trust for which a deceased or surviving spouse was the grantor.	No comparable provision.
12	Manufactured homes; sectional structures. Increases the minimum value for a storage shed, deck, or similar structure on a leased manufactured home site to be considered taxable from \$1,000 to \$10,000.	Section 7. Same.
13	Class 1c (homestead resort) classification. Extends eligibility for class 1c homestead resort classification to resort properties abutting state trails (currently this classification is limited to resorts abutting public waters). Makes minor change relating to how title to class 1c property is held.	No comparable provision.
14	Class 2 (agricultural property). Allows land enrolled in a conservation program administered by a local agency such as a city, town, or water conservation district to qualify as agricultural for property tax purposes, provided that under the program the landowner receives incentive payments in return for restrictions placed on the use of the land. Currently, land enrolled in the Reinvest in Minnesota (RIM) program, or the federal Conservation Reserve Program (CRP), or a similar state or federal conservation program, are allowed to qualify as agricultural. Also broadens the definition of agricultural products to include all products of aquaculture cultured within an aquatic farm.	Section 8. Similar. Senate is effective beginning with assessment year 2017; House is effective for assessment year 2018. No comparable provision.
15	Class 4 (miscellaneous property classification). Allows garage condominiums with separate legal descriptions to be classified under class 4bb, which is the classification for single-family residential	No comparable provision.

Sec.	Article 2: Property Taxes	Article 2: Property Taxes
	<p>rental units, with a class rate of one percent (up to \$500,000 value).</p> <p>Also provides for a property tax reduction of approximately 33 percent for property of nonprofit community service organizations that are congressionally chartered veterans’ organizations, i.e. the American Legion and the VFW. This reduction results in a slight increase in tax burdens to all other properties.</p> <p>No comparable provision.</p>	<p>No comparable provision.</p> <p>Section 9. Provides that Class 1 manufactured home parks have a classification rate of 1 percent.</p>
16	<p>Homestead of disabled veteran or family caregiver. No comparable provision.</p> <p>No comparable provision.</p> <p>No comparable provision.</p> <p>Allows the surviving spouses of disabled veterans dying after December 31, 2011, to qualify for the spousal benefit if the veteran qualified at the time of death or the spouse is receiving dependency and indemnity compensation (DIC).</p> <p>Eliminates the annual application requirement, but requires notice for eligibility changes and requires annual certification of a veteran’s disability rating.</p>	<p>Section 10. Eliminates the eight-year limit so that a spouse can continue to receive the homestead exclusion until they sell, transfer or otherwise disposes of the property.</p> <p>Allows surviving spouses to receive the homestead exclusion in cases where the disabled veteran qualified with a disability rating of less than 100 percent.</p> <p>Allows disabled veterans with a non-permanent disability rating of 100 percent to receive the \$300,000 exclusion.</p> <p>Similar. Senate language does not limit the benefit to spouses of disabled veterans who died after December 31, 2011.</p> <p>No comparable provision.</p>
17	<p>Property overvalued. Allows a property owner to appeal a property’s valuation in tax court for the taxes payable year prior to the year for which the value is reduced by a board of appeal, county abatement, or tax court decision.</p>	<p>No comparable provision.</p>
18	<p>General levy amount. Freezes the state general levy for both commercial-industrial property and seasonal-recreational property at the payable 2017 level for taxes payable in 2018 and thereafter.</p> <p>Reduces the commercial-industrial levy by \$106.4 million, which is the amount estimated to be paid by the first \$200,000 of each commercial-industrial property.</p>	<p>Section 11. Freezes the state general levy for both commercial-industrial property and seasonal-recreational property at the payable 2018 level for taxes payable in 2018 and thereafter.</p> <p>Reduces the commercial-industrial levy by \$55 million, which is the amount estimated to be paid by the first \$100,000 of each commercial-industrial property.</p>
19	<p>Commercial-industrial tax capacity. Provides that the first \$200,000 of each parcel of commercial-industrial property is exempt from the state general levy.</p>	<p>Section 12. Provides that the first \$100,000 of each parcel of commercial-industrial property is exempt from the state general levy.</p>
20	<p>Apportionment and levy of the state general tax. Eliminates the 95%/5% apportionment of the state general levy between commercial-industrial and seasonal-recreational property, since each levy amount is now stated separately in section 18.</p>	<p>Section 13. Same.</p>
21	<p>Underserved municipalities distribution. Provides for a distribution of the state general levy paid by properties within a municipality back to the</p>	<p>No comparable provision.</p>

Sec.	Article 2: Property Taxes	Article 2: Property Taxes
	municipality, provided that the municipality: (1) lies within the metropolitan area but outside the transit district area; and (2) has a net fiscal disparities contribution tax capacity in excess of eight percent of the municipality’s total net tax capacity. The distribution is equal to the contribution tax capacity in excess of eight percent times the municipality’s tax rate. The distribution cannot exceed the amount of state general levy paid by properties within the municipality.	
	No comparable provision.	Sections 14 and 15. Proposed levy certification dates. Changes, from September 15 th to September 30 th , the date by which towns and special taxing districts must certify their proposed levy to the county auditor, and clarifies that the Metropolitan Council and the Metropolitan Mosquito Control Commission must certify their proposed levy by September 15 th . Under current law, school districts, cities and counties must certify their proposed levy by September 30, while towns must submit their proposed levy by September 15 th . Effective beginning with proposed levy certifications for taxes payable in 2018.
22	Special taxing districts; definition. Adds soil and water conservation districts to the definition of special taxing districts, to conform to the requirements under section 2.	No comparable provision.
23, 27-40, 44, 45 and 50	Tax forfeited land provisions. These sections include provisions related to the management and sale of tax forfeited land. Section 23 clarifies the marks that may be used as proof of timely mailing. Section 27 allows the county auditor to offer financial literacy counseling as part of an agreement to enter into a confession of judgment. Section 28 clarifies that the period of redemption for targeted communities. Sections 29 and 30 allow a county to commence an action to reduce the period of redemption for abandoned or vacant property. Section 31 provides that a governmental entity is not bound to an agreement to maintain the property with public funds. Section 32 allows the county auditor to protect and secure a vacant or unoccupied property. Section 33 allows a county board to sell individual parcels by alternate means, including through a real estate broker. Section 34 requires the commissioner of revenue to issue a conveyance to the county auditor in conjunction with a closing. Sections 35 and 38 allow the county auditor to sell tax-forfeited property through an online auction. Section 36 broadens the number of prohibited purchasers of tax-forfeited land.	No comparable provisions.

Sec.	Article 2: Property Taxes	Article 2: Property Taxes
	<p>Section 37 authorizes a county to sell property adjacent to public waters with written authorization from the commissioner of natural resources.</p> <p>Sections 39 and 40 reduce the repurchase period for nonhomestead property.</p> <p>Section 44 authorizes evictions after the redemption period expires.</p> <p>Section 45 allows a plaintiff to dispose of personal property held to enforce a lien 60 days after the order to vacate.</p> <p>Section 50 repeals a notice requirement for parcels that have not been sold one year before the expiration of the redemption period.</p>	
24	<p>Due dates; penalties. Equalizes the penalties for first- and second-half late payments of property taxes.</p>	No comparable provision.
25	<p>Abatement of penalty. On a onetime basis, allows the county treasurer to abate the penalty for late payment of tax if an envelope is postmarked within one business day of the due date.</p>	<p>Section 16. Same.</p>
26	<p>Agricultural properties. Provides the same due date for rural vacant land as for class 2a land and provides that late payment penalties are the same as in section 24.</p>	No comparable provision.
41	<p>Property taxes payable. Explicitly provides for resident shareholders of manufactured home cooperatives to add a percentage of their ground lease payments to the personal property tax amounts on their individual units when filing for the homestead credit refund.</p>	No comparable provision.
	No comparable provision.	<p>Section 17. SFIA; forest land definition. Allows land with a paved trail under easement, lease, or terminable license to the state or political subdivision to qualify as forest land and be eligible for enrollment in the SFIA program. Effective the day following final enactment.</p>
	No comparable provision.	<p>Section 18. SFIA; incentive payment. Clarifies that the annual incentive payment per acre excludes any acre of land enrolled in the program that is improved with a paved trail under easement, lease, or terminable license to the state or political subdivision. Effective the day following final enactment.</p>
	No comparable provision.	<p>Section 19. SFIA; withdrawal procedures. Allows for early withdrawal from the SFIA program when the land is subject to a fee or easement acquisition, or lease to the state for the purpose of a paved trail. Effective the day following final enactment.</p>
42	<p>Early termination of agricultural preserve. Allows a property’s enrollment in the metropolitan agricultural preserves program to be terminated upon the death of an owner of the property. Provides that when an agricultural preserve is terminated under this provision, the property is subject to additional taxes equal to 50 percent of the current year’s taxes. <i>(Background: under current law, an agricultural preserve can only be</i></p>	<p>Section 20. Same.</p>

Sec.	Article 2: Property Taxes	Article 2: Property Taxes
	<i>terminated eight years after the owner notifies the city or county of her/his intention to terminate, and there are no additional taxes imposed when the preserve is terminated.)</i>	
43	Allowed commercial and industrial operations. Allows cell towers to be installed on property within a metropolitan agricultural preserve.	Section 21. Same.
46	Recreation levy for Sawyer by Carlton County. Reinstates and makes permanent authority for Carlton County to levy a tax within the unorganized territory of Sawyer for recreational purposes, limited to \$1,500 per year.	Section 22. Similar. Limits the levy to \$2,000 per year.
47	Soccer stadium property tax exemption; special assessment. Exempts the stadium and related facilities used for the primary purpose of providing a Major League Soccer stadium from state and local property taxes. The property remains subject to special assessments. The exemption applies to property subject to a lease or use agreement between the city and a private party as long as the use is related to operation of the stadium and related parking facilities. The exemption does not apply to property under a lease or use agreement for residential, business, or commercial development unrelated to the operation of the stadium. Effective upon compliance with the city of St. Paul with Minnesota Statutes, section 645.021.	Section 23. Same.
48	Property tax reform working group. Establishes a Legislative Property Tax Reform Working Group to propose changes to the property tax system. The group is charged with making a report presenting two or more alternatives for reform, as described in section 48 by February 15, 2018. The group is to be staffed by legislative staff, but may request assistance from staff of the Education and Revenue Departments.	No comparable provision.
49	Proposals for reform of Minnesota's property tax system. Charges the working group with developing proposals to restructure the property tax system that reduce complexity and cost and increase transparency and taxpayer understanding, while minimizing the number of properties that experience severe tax changes. At least one proposal must be developed that spends up to \$250 million in state cost per year, and another that spends up to \$500 million in state cost per year.	No comparable provision.
50	Repealer – assessor accreditation. Repeals the requirement that all persons appraising real property obtain an Accredited Minnesota Assessor license.	Section 3. Assessor accreditation waiver. Extends the deadline for assessors to obtain licensure as an accredited assessor from the State Board of Assessors (SBOA), from July 1, 2019, or within four years of becoming a certified assessor, whichever is later, to July 1, 2022, or within five years of becoming certified. An individual may apply for a waiver if the individual: (1) was licensed as a certified assessor before July 1, 2004; (2) has maintained an assessor license in good standing since July 1, 2004; (3) has successfully passed an examination substantially equivalent to the requirements by the SBOA for the accredited assessor license before May 1, 2020; and (4) submits an application to the SBOA no later than

Sec.	Article 2: Property Taxes	Article 2: Property Taxes
		July 1, 2022. Waivers granted under this section expire on June 30, 2032 and this accreditation waiver authorization expires on July 1, 2032.

Sec.	Article 3: Property Tax Payer Empowerment	
1, 3-6, 9, 13-33	<p>Standard election dates. Eliminates special elections and moves a number of required referendum to the standard election date of the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year. Towns are also allowed to hold an election at the same time as the annual town meeting. Affected referenda include:</p> <ul style="list-style-type: none">• School capital project levy (sec. 1)• City and town ballot questions (sec. 3)• School ballot questions (sec. 4)• Municipal acquisitions (sec. 5)• municipal telecommunications service (sec. 6)• Levy or bond referendum (sec. 9)• City contracts for deed (sec. 13)• City certificates of indebtedness and capital notes (sec. 14)• Use of municipal liquor store funds (sec. 15-20)• Public utility property acquisitions (sec. 21-22)• Extension of electric service beyond municipality (sec. 23)• Town accepting forest land donations (sec. 24)• Port authority levy reverse referendum (sec. 25)• EDA levy reverse referendum (sec. 26)• Town local lodging taxes (sec. 27)• County lodging tax reverse referendum (sec. 28)• City use of public works fund (sec. 29)• Exceeding city taconite fund expenditure limits (sec. 30)• City levy for an infrastructure replacement fund imposition and use (sec. 31-32)• City, county, school district, and town debt (sec. 33) <p>Effective August 1, 2017, and applies to all referenda held after that date.</p>	No comparable provisions
2	<p>Referendum revenue (schools). Requires a school district to state on both its referendum ballot and on its notice to taxpayers the amounts of any board-approved local optional revenue and board-approved referendum authority. Effective August 1, 2017.</p>	No comparable provision
7, 11, 12	<p>Notice of right to petition on levy increases under section 10. Requires the following to include information that if a county’s or city’s final levy is greater than last year’s levy, voters have the right to petition for a referendum on the next year’s levy:</p> <ul style="list-style-type: none">• Truth in Taxation notices (sec. 7)• Newspaper notices (sec. 11)• Property tax statements (sec. 12)	No comparable provisions
8	<p>Certification of levy. Provides for the maximum levy amount depending on the outcome of a referendum required under the “Tax Payer Empowerment Act” (main provision is in section 10). If the referendum on the proposed Truth in Taxation levy passes, the maximum levy is the proposed levy amount. If it fails, the maximum allowed levy is the maximum alternative levy (equal to the county’s nondebt levy from two years earlier plus its current proposed debt levy).</p>	No comparable provision

Sec.	Article 3: Property Tax Payer Empowerment	
10	<p>Levy increase; reverse referendum authorized. Establishes the “Tax Payer Empowerment Act” which provides for a future reverse referendum if a county or city increases its property tax levy.</p> <p>Subd. 1. Citation. Names this section the Property Tax Payers’ Empowerment Act.</p> <p>Subd. 2. Definitions. Defines the local governments subject to this provision to be counties, and all home rule charter and statutory cities with a population of 500 or more. Also defines the maximum alternative levy allowed if a referendum fails, to be the local government’s nondebt levy from two years ago plus its proposed debt levy for the coming year.</p> <p>Subd. 3. Levy increase; reverse referendum authority. Allows a reverse referendum if a city or county increases its levy over the previous year. The referendum occurs if a petition for referendum, signed by ten percent of the voters in the last general election is filed with the county auditor by June 30. The referendum must be held at the general election or at a special election on the first Tuesday after the first Monday in November.</p> <p>Subd. 4. Prohibition against new debt before the election. Prohibits a local government from issuing new debt from the time a petition is filed until after the referendum is held.</p> <p>Subd. 5. Ballot question; consequence of the vote. Lays out the format for the referendum question on the ballot; including the maximum levy if the referendum fails.</p>	No comparable provision
34	<p>Repealer. Repeals section 205.10, subdivision 3— an election law provision limiting when special elections on ballot questions may be held relative to the general election.</p>	No comparable provision

Sec.	Article 4: Sales and Use Taxes	Article 3: Sales and Use
1	Volunteer fire assistance grant account. Establishes this new account in the special revenue fund to be used for making grants to local fire departments for equipment and training funded with 25 percent of sales tax revenue from the sale of personal fireworks (see section 27). Effective beginning with deposits in fiscal year 2018.	No comparable provision.
2	League fund transfer. Provides a cross reference to the sales tax exemption in section 13, requiring the Minnesota State High School League (MSHSL) to transfer an amount equal to the annual sales tax saving to a foundation to fund student participation in extracurricular activities.	Section 1. Similar. Also requires the MSHSL to report annually to the K-12 committees in the legislature regarding the foundations’ use of funds for scholarships.
	No comparable provision.	Sections 2, 4, and 9 to 12. Food sold through vending machines. Removes food sold through vending machines from the list of taxable food items within the definition of “sale and purchase.” Amends the definition of “food sold through vending machines” to specify that taxable food sold through vending machines means prepared food, soft drinks, and candy dispensed from a vending machine. Removes food sold through vending machines from the list of items that are taxable under the definition of “food and food ingredients.” Specifies that taxable food sold through vending machines at residential facilities, schools, and in connection with certain government programs or nonprofit organizations is not exempt. Effective for sales and purchases made after June 30, 2017.
	No comparable provision.	Section 3. Definition of “end user”. Specifies that an “end user” does not include a person, including the owner or operator of a jukebox or other similar device, that charges customers for access to specified digital products or other digital products and who receives a product transferred electronically under a contract for further commercial broadcast or transmission to another person. Effective for sales and purchases made after June 30, 2017.
3	Definitions. Modifies the definition of a “retailer maintaining a place of business in the state” to include having a storage facility in the state, employing a state resident who works from a home office in the state, or having a marketplace provider or other third party operating in the state under the retailer’s authority to facilitate or process sales in the state. Defines a marketplace provider as a person who facilitates sales for a retailer through any forum. This includes Internet based sales sites.	Section 5. Same.
4	Retailer maintaining place of business in the state. Provides an exception to the sales tax collection and remittance requirements for retailers making less than \$10,000 of taxable sales in the state, if their sole physical connection to the state is through a marketplace provider.	Section 6. Same.
5	Affiliated entities. A retailer having an in-state affiliate is required to collect and remit sales and use tax. This section modifies the definition of “affiliated entities” to include in-state entities that sell the same products as the retailer; facilitate the retailer’s sales; use the retailer’s intellectual property; deliver, install, assemble, or maintain	Section 7. Same.

Sec.	Article 4: Sales and Use Taxes	Article 3: Sales and Use
	<p>certain property sold by the retailer; facilitate deliveries for the retailer; or assist in maintaining the retailer's market.</p> <p>This section also deems entities as related parties if they are related under certain provisions of the Internal Revenue Code, or have one or more ownership relationships designed to avoid affiliate nexus.</p>	
6	<p>Collection and remittance requirements. Establishes collection and remittance requirements for marketplace providers and market place retailers. Provides that a marketplace provider has no liability if the failure to collect and remit was due to incorrect or insufficient information provided by the retailer.</p>	Section 8. Same.
7	<p>Instructional material. Expands the existing sales tax for the purchase of instructional materials to explicitly include:</p> <ul style="list-style-type: none"> • charts and models used in the course of study; • art supplies used in art classes; and • tools, equipment, and supplies required for obtaining a degree or certification, even if these items are normally used in the practice of the trade or career. <p>Effective for sales and purchased made after June 30, 2017.</p>	No comparable provision.
8	<p>Certain herbicides. Provides a sales tax exemption for herbicides used under an invasive aquatic plant management permit purchased by lakeshore property owners, an association of lakeshore property owners, or by a contractor. Effective for sales and purchased made after June 30, 2017.</p>	No comparable provision.
	No comparable provision.	<p>Section 13. Precious metal bullion and bullion coin. Provides a sales tax exemption for precious metal bullion and bullion coin. "Precious metal bullion" is defined as bars or rounds that are at least 99.9% gold, silver, or platinum by weight, and are marked for weight, purity, and content. The bill also specifies coins that qualify as bullion coins. Effective for sales and purchases made after June 30, 2017.</p>
9	<p>Capital equipment. Makes a technical change in the items excluded from the capital equipment exemption to conform to the expansion of the telecommunication sales tax exemption in section 11.</p>	No comparable provision.
10	<p>Super Bowl admissions and related events. Expands the sales tax exemption for Super Bowl tickets to also exempt tickets and admissions to other Super Bowl-related events sponsored by the NFL or Super Bowl Host Committee, and to sales of nonresidential parking by the NFL to the Super Bowl and related events. Allows the Super Bowl Host Committee to purchase nonresidential parking as a sale for resale.</p> <p>Effective for sales and purchases made after June 30, 2016, and before March 1, 2018.</p>	No comparable provision.

Sec.	Article 4: Sales and Use Taxes	Article 3: Sales and Use
11	Telecommunications or pay television services machinery and equipment. Expands exemption on equipment purchases for the telecommunications and pay television industries to include the purchase of wire, cable, fiber, poles, and conduit.	No comparable provision.
12	Sales to nonprofits. Adds nonprofit organizations that qualify for the membership exemption in section 14, to this exemption. Effective for sales and purchases after June 30, 2017.	No comparable provision.
13	Minnesota State High School League tickets and admissions. Provides a permanent exemption for MSHSL sponsored events (i.e. regional and state tournaments and competitions). Effective for sales and purchases after June 30, 2017.	Section 14. Similar. Same language but the exemption expires July 1, 2027.
14	YMCA, YWCA, JCC, and similar memberships. Expands the existing sales tax exemption for the sale of memberships to YMCAs, YWCAs, and JCCs to similar 501(c)(3) organizations.	No comparable provision.
15	Fundraising events sponsored by nonprofit groups. Increases the exemption limits for fundraising events sponsored by nonprofits on events held on leased premises from five days to ten days. Effective for sales and purchases after June 30, 2017.	Section 15. Different. Removes the requirement that fundraising events sponsored by nonprofit groups must be conducted on premises leased for more than five, but less than 30 days for the sales tax exemption for sales of personal property, services, and admissions to apply to those events. Effective for sales and purchases made after June 30, 2017.
16	City celebrations. Provides a sales tax exemption for sales at and admissions to a city-designated annual celebration to promote community spirit. The exemption applies to a city with a population of less than 30,000 and the celebration must last no more than ten consecutive days. The exemption does not apply to events involving bingo or gambling activities and all sales become taxable if the provision requirements are not met. Effective for sales and purchases after June 30, 2017.	No comparable provision.
17	Ice arenas and rinks. Provides a sales tax exemption for materials used by a nonprofit, 501(c)(3) corporation for the operation of ice rinks or ice arenas that are part of the Duluth Heritage Sports Center. Effective for sales and purchases after June 30, 2017.	
18	Building materials; capital projects. Allows the city of Plymouth a sales tax exemption on materials and supplies used in and equipment incorporated into the construction, remodeling, expansion or improvement of an ice arena or other city-owned buildings and facilities. The exemption applies to purchases by contractors, subcontractors, and builders as well as direct purchases by the city. The tax must be paid at the time of purchase and the city must apply for the refund. The total amount of refund that the city may apply for is \$2.5 million. Effective retroactively to sales and purchases made after January 1, 2013.	Section 16. Similar. Only retroactive to sales and purchases made after June 30, 2015.
19	Construction materials purchased by contractor; exemption for certain entities. Allows a contractor, subcontractor, or builder a sales tax	No comparable provision.

Sec.	Article 4: Sales and Use Taxes	Article 3: Sales and Use
	<p>exemption on construction materials and supplies used in buildings and facilities used principally by one of the following:</p> <ul style="list-style-type: none">• school districts;• other local governments;• government owned hospitals and nursing homes;• libraries;• charitable, religious, and educational nonprofits;• nonprofit hospitals, nonprofits, and critical access dental providers; and• nonprofit nursing homes and boarding care homes. <p>Includes construction, reconstruction, and repair of public infrastructure like roads, bridges, sewers, and water treatment facilities.</p> <p>The tax is paid by the contractor at the time of sale, and the tax is refunded to the tax exempt entity under sections 23 to 25. Effective for sales and purchases after June 30, 2017.</p>	
20	<p>Property destroyed in the fire. Provides a sales tax exemption for construction materials, equipment, and supplies used to construct or replace property affected by the February 2016 fire in Madelia. The exemption applies to purchases by the property owner or by a contractor, subcontractor, or builder. The tax must be paid at the time the material is purchased and the owner of the property must apply for a refund of the tax.</p> <p>Effective retroactively for purchases made after December 31, 2015, and before July 1, 2018.</p>	<p>Section 17. Same.</p>
21	<p>Properties destroyed by fire. Provides a sales tax exemption for construction materials, supplies, and equipment used for construction or replacement of real property destroyed by a fire in the city of Melrose on September 8, 2016. Provides that for the period between September 30, 2016, and April 1, 2017, the tax must be paid at the time of the purchase and refunded.</p> <p>Effective retroactively for purchases made after September 30, 2016, and before January 1, 2019.</p>	<p>Section 18. Similar. Only difference is that the refund requirement is effective through purchases made before July 1, 2017.</p>
22	<p>Building materials; Major League Soccer stadium. Provides an upfront sales tax exemption on materials, supplies, and equipment used in a new professional soccer stadium. This includes purchases by contractors and subcontractors.</p> <p>Effective the day after final enactment and expires one year after the date the first professional soccer game is played in the stadium.</p>	<p>Section 19. Same.</p>
23	<p>Tax collected. Adds the construction exemptions in sections 19 to 21 to the list of exemptions that are handled as refunds.</p>	<p>Section 20. Similar. Adds the construction exemptions in sections 17 and 18 to the list of exemptions that are handled as refunds. Other minor language differences.</p>
24	<p>Refund; eligible person. Indicates that the following people must apply for refunds of the tax paid by the contractor, subcontractor, or builder:</p>	<p>Section 21. Similar. Same provisions for the exemptions in sections 17 and 18.</p>

Sec.	Article 4: Sales and Use Taxes	Article 3: Sales and Use
	<ul style="list-style-type: none"> the city eligible for the new exemption under section 19; and the owner or developer of a project under sections 20 and 21. 	
25	Application. Requires the contractor, subcontractor, or builder to provide the refund applicant with the information needed to apply for the refund.	Section 21. Similar. Same provisions for the exemptions in sections 17 and 18.
26	Appropriation. Provides that for fiscal year 2018 and fiscal year 2019 only the revenues to the legacy funds will not be reduced for their relative share of the new refunds under this bill.	No comparable provision.
27	Deposit of revenues. Requires the commissioner of revenue to deposit 25 percent of the estimated sales tax from the sale of personal fireworks in the account created in section 1 and 25 percent of the revenue to the existing fire safety account. The estimate is a flat percentage of total sales tax revenues as determined under section 28. Effective for sales and purchases made after December 31, 2017.	No comparable provision.
28	Calculation of the percent of sales tax revenue attributable to the sales of certain fireworks related items. Requires the commissioner of revenue to consult with industry groups and make an estimate by December 31, 2017, of the amount of sales taxes collected in 2016 that were attributable to the sale of personal fireworks. This percentage shall be used to make future dedications under section 27. Effective the day after final enactment.	No comparable provision.
29	Sales tax exemption for construction materials used by a nonprofit economic development corporation. Provides a sales tax exemption and refund of taxes paid on materials, supplies, and equipment used in construction of a multipurpose retail development owned by a 501(c)(3) nonprofit economic development corporation in the city of Trimont. Effective the day after final enactment, applying to purchases made between January 1, 2013, and January 1, 2017.	No comparable provision.
30	Exemption from job expansion program provisions. Allows a wholesale electronic component distribution center with certain characteristics to be exempt from sales tax for ten years rather than seven. Raises the maximum annual exemption for such a project from \$2,000,000 to \$5,000,000 and the maximum total exemption from \$10,000,000 to \$30,000,000. Effective July 1, 2017.	Section 23. Similar. The maximum total exemption is increased to \$40,000,000.
31	Certain reimbursements authorized, considered operating or capital expenses. Allows the Minnesota Sports Facility Authority to reimburse the NFL, its affiliates, and the Minnesota Super Bowl Host Committee for up to \$1,600,000 in state and local taxes paid on purchases, nonresidential parking, and lodging in connection with the Super Bowl LII and related events from its reserve funds.	No comparable provision.

Sec.	Article 4: Sales and Use Taxes	Article 3: Sales and Use
	Effective for sales and purchases made after June 30, 2016, and before March 1, 2018.	
32	Reimbursements to certain constitutionally dedicated funds for expanded sales tax exemptions. Reimburses the legacy funds from the general fund for the Pay 2018-2019 biennium for revenue losses due to the sales and tobacco tax changes in this bill. Effective the day after final enactment.	No comparable provision.
33	Report on taxation of stadium suites. Requires the commissioner of revenue to look at the sales tax treatment of stadium suites and suite licenses in other states. The report is due February 1, 2018. Effective the day after final enactment.	No comparable provision.
34	Appropriation. Makes a one-time appropriation to the city of Melrose in fiscal year 2018 of \$1,392,258 to cover various costs related to their recent fire. Effective the day after final enactment.	Senate Article 4, section 28.
35	Severability. Provides that if any provision in sections 3 to 6 are held invalid, other provisions not affected by the invalidity are given effect. Effective the day following final enactment.	Section 24. Similar. The only difference is the section cross references.
36	Effective date. Establishes that the provisions of sections 3 to 6 are effective at the earlier of: (1) the U.S. Supreme Court overturning <i>Quill</i> ; (2) July 1, 2020; or (3) congressional authorization for states to impose collection and remittance requirements on remote sellers to the extent allowed by federal law.	Section 25. Different. Establishes that the provisions of sections 5 to 8 are effective upon the U.S. Supreme Court overturning or expanding its <i>Quill</i> decision, or July 1, 2018, whichever is earlier. If Congress enacts a law authorizing states to impose collection and remittance requirements for retailers without physical presence in the state, Minnesota must enforce the provisions of sections 5 to 8 and 23 to the extent allowed under federal law.

Sec.	Article 5: Aids, Credits, and Refunds	Article 4: Property Tax: Aids & Credits
	No comparable provision.	Sections 1, 2, and 27. Debt service equalization revenue; appropriation. Increases the state share of school debt service revenue by reducing the minimum debt service tax rate to qualify for state tier 1 equalization from 15.74 percent to ten percent and increases the equalizing factor for tier 1 equalization from 55.33 to 75 percent of the statewide average ANTC per pupil unit for taxes payable in 2018. \$14,773,000 is appropriated from the general fund to the Department of Education for this purpose. Effective for taxes payable in 2018 and thereafter.
	No comparable provision.	Sections 3 and 29. Referendum equalization levy; appropriation. Increases the amount of state-paid referendum equalization aid to school districts in fiscal year 2019 by increasing the first-tier referendum equalization factor to \$950,000 and the second-tier referendum equalization factor to \$611,000. Effective for taxes payable in 2018 and later. \$28,827,000 is appropriated from the general fund to the commissioner of education in fiscal year 2019.
1	Payments to school funds. Provides that state payments to school districts for nonoperating funds must be paid over the first six months of each fiscal year. Under current law, the payments are spread evenly over the entire fiscal year. This is needed so that school districts receive their state credit payments under section 3 in a time frame that more closely approximates when the property tax payments would have been received. Effective beginning with fiscal year 2019.	Section 4. Same.
2	Aid payment percentage. Excludes payments for nonoperating funds from the “metering” payment schedule for other state aid payments to school districts. Effective beginning with fiscal year 2019.	Section 5. Same.
3	School building bond agricultural credit. Provides for a property tax credit on all property classified as agricultural, excluding the house, garage, and surrounding one acre of land of an agricultural homestead, equal to 50 percent of the tax on the property attributable to school district bonded debt levies. Provides an open and standing appropriation to pay for the credit. Effective beginning with taxes payable in 2018.	Section 6. Similar; Senate credit rate is 40 percent.
4	Payment; school districts. Provides for state payment of school bond agricultural credit reimbursements to school districts according to the schedule under section 3.	Section 7. Same.
5	Computation of net property taxes. Includes the new school bond agricultural credit in the list of credits that reduce taxes.	Section 8. Same.
6	Notice of proposed property taxes. Provides for the new school bond agricultural credit to be shown on the Truth-in-Taxation statement.	Section 9. Same.
7	School district levies; special requirements. Defines which school district levies are considered to be debt service levies.	Section 10. Same.

Sec.	Article 5: Aids, Credits, and Refunds	Article 4: Property Tax: Aids & Credits
8	Computation of tax rates. Requires the county auditor to compute a school debt tax rate for each school district so that the school bond agricultural credit can be computed.	Section 11. Same.
9	Contents of tax statements. Provides for the school bond agricultural credit to be shown on the tax statement.	Section 12. Same.
10	<p>Renter property tax refund; rent constituting property taxes. Provides for the percent of rent constituting property taxes used in calculating the property tax refund for renters to equal:</p> <ul style="list-style-type: none"> • 16.5 percent for the city of Minneapolis; • 14 percent for the city of St. Paul; • 15 percent for Anoka and Dakota Counties, and the portions of Hennepin and Ramsey Counties other than Minneapolis and St. Paul; and • 14 percent for the rest of the state. <p>Effective for refunds based on rent paid in 2017.</p> <p>Background. Under current law, the percent of rent constituting property taxes is 17 percent statewide.</p>	No comparable provision.
11	<p>Renter property tax refund; manufactured homes. Provides that the percent of rent constituting property taxes for rent paid on the site on which a manufactured home or park trailer is located equals the percentages provided in section 10 based on where the manufactured home or park trailer is located.</p> <p>Effective for refunds based on rent paid in 2017.</p>	No comparable provision.
12	Border city allocation. Provides an additional \$3 million allocation for border city aid. This amount is allocated among the five qualifying cities (Breckenridge, Dilworth, East Grand Forks, Moorhead, and Ortonville) on a per capita basis. The city could choose whether to use the allocation for tax reductions under the regular border city enterprise zone program or the border city development zone program. Allocations are used to provide tax reductions to businesses in the cities (either new and expanding businesses or existing businesses). The allocations remain available until used.	No comparable provision.
13	<p>City revenue need. Adds a sparsity adjustment factor to both the medium city revenue need formula and the small city revenue need formula. Medium cities are those with a population between 2,500 and 10,000 while “small cities” have a population of 2,500 or less.</p> <p>Also modifies the transition provision between the medium and large city formula. The transition range will now be from 10,000 to 11,000 population rather than the current range of 10,000 to 10,500.</p> <p>Effective beginning with aids payable in 2018.</p>	<p>Section 13. Does not contain the sparsity aid adjustment.</p> <p>The change to the transition provision between the medium and large city formula is the same.</p>
14	Sparsity adjustment. Adds a new sparsity adjustment for medium and small cities equal to \$200 per capita for cities with a population density	No comparable provision.

Sec.	Article 5: Aids, Credits, and Refunds	Article 4: Property Tax: Aids & Credits
	<p>of less than 30 per square mile. There is a current sparsity adjustment of \$100 per capita for any large city with a population density of less than 150 per square mile.</p> <p>Effective beginning with aids payable in 2018.</p>	
15	<p>County and tribe reimbursement for out-of-home placement costs.</p> <p>Establishes a new aid program for counties and tribes for out-of-home placement costs of children under the Indian Child Welfare Act. Aid to tribes shall be the greater of: (1) five percent of the average reimbursement amount received from the federal government for out-of-home placement costs for three calendar years; or (2) \$200,000. Aids to counties shall be the county’s proportionate share of the appropriation that remains after the aid for tribes has been paid. \$10,000,000 is annually appropriated to the commissioner of revenue from the general fund to make the aid payments.</p> <p>Effective beginning with aids payable in 2018 and thereafter.</p>	<p>Section 14. Similar. Minor style differences; Senate appropriation is \$2,000,000 per year.</p>
16	<p>City formula aid. Uses certified aid from the previous year as the starting point for calculating a city’s formula aid. A city’s formula aid (aid increase) is equal to a percentage of the difference between a city’s unmet need and its certified aid for the previous year.</p> <p>Effective beginning with aids payable in 2018.</p>	<p>Section 15. Similar – minor language and organizational differences.</p>
17	<p>City aid distribution. Provides that if a city’s aid from the previous year is less than its unmet need for the current year, its new aid amount will be its certified aid from the previous year plus its formula aid calculated under section 16.</p> <p>If a city’s aid in the previous year is equal to or greater than its current unmet need, its new aid amount is the greater of:</p> <ul style="list-style-type: none">▸ its current unmet need; or▸ its aid from the previous year minus the lesser of: (1) \$10 per capita; or (2) 5 percent of its net levy in the previous year. <p>These are the decreases allowed under current law.</p> <p>Effective beginning with aids payable in 2018.</p>	<p>Section 16. Same.</p>
18	<p>Aid reductions for payments to a world fair or expo. Requires a city, county, or town to report any payments to an organization, such as Expo 2023, promoting a world’s fair in Minnesota to the commissioner of revenue. Revenue must reduce the county program aid (CPA) or city or town local government aid (LGA) payment for the county, town, or city by the amount of any payment in the previous year. No local government’s aid may be reduced to less than zero.</p> <p>Effective beginning with aids payable in 2018.</p>	<p>No comparable provision.</p>
19	<p>Aid reduction for operating an unauthorized diversion program. Requires that if a county or city is found by the courts to have operated a</p>	<p>No comparable provision.</p>

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	diversion program not authorized by law, the county's CPA or city's LGA is reduced by the amount of fees that the county or city collected under the program while it was in operation. Allows a taxpayer to challenge the legality of a diversion program in court. Effective beginning with the second half payment of calendar year 2017 aids.	
	No comparable provision.	Section 17. LGA; appropriation. Increases the local government aid appropriation by \$12 million for aids payable in 2018 only.
	No comparable provision.	Section 18. CPA; appropriation. Increases the county program aid appropriation by \$6 million for aids payable in 2018 only. The increase is split evenly between county program need aid and tax-base equalization aid.
20	Maximum effort loan aid. Makes payments over a five-year period to school districts that took advantage of the 2016 law allowing the districts to repay the outstanding principal on their maximum effort capital loans to compensate for the interest payments these districts had previously paid to the state.	No comparable provision.
	No comparable provision.	Section 19. Large forest easement value reduction; PILT. Adds a new definition to the PILT statute by defining "large forest easement value reduction" as the market value due to a single forest for the future easement on land exceeding 60,000 acres that was acquired under Minnesota's "forest for the future" program. Effective retroactively for assessment year 2011 and thereafter.
	No comparable provision but a temporary related provision in section 26.	Section 20. Types of land; PILT payments. Provides a payment of \$5.133, multiplied by the total number of acres of large forest easement land, or, at the county's option, three-fourths of one percent of the large forest easement value reduction in the county, whichever is greater. This section also increases, from \$1.50 to \$2.00, the payment per acre for county-administered and commissioner-administered natural resource land in the county. The payments for large forest easement land is effective retroactively for assessment year 2011 and thereafter. The increase in payment for county and commissioner-administered land is effective for payments made in 2018 and thereafter.
	No comparable provision.	Section 21. PILT; procedure. Requires the county auditor to certify to the Department of Natural Resources the assessed value of large forest easement value reduction in the county and requires the commissioner of revenue to determine the PILT distributions based on the county's certification. Effective retroactively for assessment year 2011 and thereafter.
	No comparable provision.	Section 22. Distributions for wildlife management lands and military refuge lands. Requires a county treasurer to allocate payments for large forest easement value reduction. Effective retroactively for assessment year 2011 and thereafter.

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	No comparable provision.	Section 23. Lake Vermilion-Soudan underground mine park; annual payment. Provides that the appraised value of state-owned land within the Lake Vermilion-Soudan Underground Mine State park shall not be reduced below the 2010 appraised value of the land. Effective beginning with aids payable in 2017.
21	One-time adjustments for certain cities; aids payable in 2017. Increases the Pay 2017 LGA for the 20 cities affected by the formula error back to their 2016 LGA amounts and uses that adjusted payment in calculating their aid for aids payable in 2018. Effective for aids payable in 2017 and 2018.	No comparable provision.
22	Base year formula for newly incorporated city. Provides a starting city LGA base amount for Pay 2018 LGA equal to the lesser of: (1) 25 percent of its net levy for taxes payable in 2016; or (2) 50 percent of the city's unmet need for a town that incorporated into a city on October 13, 2015. The new city is Rice Lake in St. Louis County. The amount used as a starting point for the city's Pay 2018 aid will increase from \$5,639 to \$310,539. Effective for aids payable in 2018.	Section 25. Different. Provides that a city that incorporated on October 13, 2015, and that first qualifies for aid in 2017 (city of Rice Lake) will have its formula aid for 2016 equal to \$115 times its population. Under current law, a city's formula aid in the previous year is used to calculate aid for the following payable year. When a town incorporates as a city, its formula aid for the previous year is zero. Effective for aids payable in 2017. The 2017 aid payment for Rice Lake shall be recalculated and treated as an aid correction.
23	2013 city aid penalty forgiveness. Provides an extra \$37,473.50 in LGA to the city of Oslo with the July 2017 LGA payment to compensate the city for the loss of one-half of its calendar year 2013 LGA payment, due to the city not filing its 2012 financial reports in a timely fashion. The city filed its 2012 financial reports by December 31, 2013. \$37,473.50 is appropriated from the general fund to make this payment. Effective the day after final enactment.	Section 26. Same.
24	2014 city aid penalty forgiveness. Forgives penalties to the cities of Dundee, Jeffers, and Woodstock who lost all or part of their calendar year 2014 LGA payment as a penalty for not filing calendar year 2013 financial reports with the state auditor in a timely fashion. The penalty is only forgiven if the city has filed both its calendar year 2013 and 2014 financial statements with the auditor by June 1, 2015. The restored aid will be paid with the July 2017 LGA payment and the \$101,570 needed to make the payments is appropriated from the general fund. Effective the day after final enactment.	Section 24. Same.
25	Lake Mille Lacs area property tax abatement. Provides for the abatement of local property taxes and the state general tax for businesses surrounding Lake Mille Lacs in certain municipalities in Aitkin, Crow Wing, and Mille Lacs Counties. To qualify for relief, businesses must document a 5 percent reduction in gross receipts in any successive two-year period beginning in 2010. Mille Lacs County would administer the program for the three included counties. Effective the day after final enactment.	No comparable provision.

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26	<p>Supplemental payments for other natural resources land. Provides a supplemental payment of 50 cents per acre for all other natural resources land for which counties are currently receiving \$1.50 per acre in payments in lieu of taxes (PILT). The supplements are paid in calendar years 2017 and 2018 (fiscal years 2018 and 2019) only and will be distributed to other local governments as part of the PILT distribution formula.</p> <p>Effective for aids payable in 2017 and 2018 only.</p>	<p>Section 20 (part). Provides a permanent PILT increase of 50 cents per acre, to \$2.00, for all other natural resource land.</p>
27	<p>2017 homestead credit refund. Directs the commissioner of revenue to increase homestead credit refunds based on taxes payable in 2018 by first proportionately increasing the maximum refund amounts in the schedule so that total projected refunds increase by \$5 million, and then by proportionately decreasing the copayment percentages in the schedule so that total projected refunds increase by \$58 million.</p> <p>Effective for 2017 refunds based on taxes payable in 2018 only.</p>	No comparable provision.
28	<p>2017 renter property tax refund. Directs the commissioner of revenue to increase renter property tax refunds based on rent paid in 2017 by first proportionately increasing the maximum refund amounts in the schedule so that total projected refunds increase by \$1.5 million, second by decreasing the income thresholds in the schedule so that cumulative increase is \$21.75 million, and last by proportionately decreasing the copayment percentages so that the final increase in total projected refunds is \$42 million.</p> <p>Effective for 2017 refunds based on rent paid in 2017 only.</p>	No comparable provision.
29	<p>Repealer. Repeals the library debt service aid to the city of Minneapolis effective starting in calendar year 2018.</p>	No comparable provision.
	<p>See Article 4, section 35.</p>	<p>Section 28. Appropriation; Melrose fire remediation. Appropriates \$1,296,458 to the city of Melrose, and \$95,800 to Stearns County grants to remediate the effects of fires in the city of Melrose on September 8, 2016. Grants must be used for remediation costs, including disaster recovery, infrastructure, reimbursement for emergency personnel and equipment costs, and reimbursement for property tax abatements. \$1,392,258 in fiscal year 2018 is appropriated from the general fund to the commissioner of public safety to make the grant payments.</p>
	No comparable provision.	<p>Section 30. Aid reductions. Sets the total LGA payable to the city of Minneapolis at \$50,000,000 for aids payable in 2018 and thereafter, and reduces the total LGA appropriation by \$28,827,000 for aids payable in 2018 and thereafter.</p>

Sec.	Article 6: In Perpetuity Payments on Land Purchases	
1	<p>Account for county joint trust fund payments.</p> <p>Subd. 1. Establishment. Establishes a special account in the combined investment funds with the SBI for management of the onetime payments required under this bill on lands purchased with funds from the environment and natural resources trust fund and the outdoor heritage fund.</p> <p>Subd. 2. Account maintenance and investment. Directs the commissioner of revenue to act on behalf of counties in making deposits to and withdrawals from this account. The commissioner will make one deposit annually for payments to all counties under sections 3 and 11 and one withdrawal annually to cover distributions under section 17.</p> <p>Effective July 1, 2018.</p>	No comparable provision.
2-5	<p>Outdoor heritage fund land purchases. Beginning with land purchased on or after July 1, 2017, with funds appropriated on or after that date from the outdoor heritage fund, onetime payments equal to 30 times the property taxes assessed by “local governments providing land related services” (counties, cities, towns, and watershed and sanitary districts) are set aside in a separate account and paid into the county joint trust fund established in section 1 when the land is actually purchased.</p> <p>Section 2. defines “land acquisition cost”, “local governments providing land related services”, “land related property taxes”, and “total price of the land”.</p> <p>Section 3. Sets up the “set aside” account where money is held for the in-perpetuity payment until land is bought. Sets up administrative provisions and clarifies that land receiving payments under these provisions are ineligible for regular PILT payments.</p> <p>Section 4. Requires the Lessard-Sams Outdoor Heritage Council annual recommendations to include an appropriation to make the onetime payments to counties for land purchases made with fund money.</p> <p>Section 5. Prohibits the state from using money from the outdoor heritage fund to acquire land if the provision for the onetime county trust fund payment is found unconstitutional, or if sufficient money is not appropriated from the fund to make the onetime payment.</p>	No comparable provisions.
6-13	<p>Environment and natural resources trust fund land purchases. Beginning with land purchased on or after July 1, 2017, with funds appropriated on or after that date from the environment and natural resources trust fund, onetime payments equal to 30 times the property taxes assessed by “local governments providing land related services” (counties, cities, towns, and watershed and sanitary districts) are set aside in a separate account and paid</p>	No comparable provisions.

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	<p>into the county joint trust fund established in section 1 when the land is actually purchased.</p> <p>Section 6. Makes a technical cross reference.</p> <p>Sections 7-10. Defines “land acquisition cost”, “local governments providing land related services”, “land related property taxes”, and “total price of the land”.</p> <p>Section 11. Sets up the “set aside” account where money is held for the in-perpetuity payment until land is bought. Sets up administrative provisions and clarifies that land receiving payments under these provisions are ineligible for regular PILT payments.</p> <p style="padding-left: 40px;">Subd. 5. Prohibits the state from using money from the environment and natural resources trust fund to acquire land if the provision for the onetime county trust fund payment is found unconstitutional, or if sufficient money is not appropriated from the fund to make the onetime payment.</p> <p>Sections 12-13. Requires the Legislative-Citizen Commission on Minnesota Resources’ annual recommendations to include an appropriation to make the onetime payments to counties for land purchases made with fund money. Allows these payment to be made from the fund.</p>	
14-16	<p>Natural resources land payments in lieu. Excludes lands (or portions of land) purchased with money from the outdoor heritage fund and environment and natural resources trust fund on or after July 1, 2017, from the existing PILT program.</p>	No comparable provisions.
17	<p>Annual county joint trust fund withdrawals and distribution for environment and natural resources and outdoor heritage lands.</p> <p style="padding-left: 40px;">Subd. 1. Commissioner of revenue; withdrawals and payments. Provides that the commissioner will make one withdrawal each year from the county joint trust fund established under section 1, on behalf of all eligible counties. The amount withdrawn is set to the lesser of: (1) the total withdrawal amount the counties certified under subdivision 2; or (2) 5.5 percent of the amount in the fund. Requires that distributions to counties be proportionately decreased if the total withdrawal is less than the total withdrawal amounts certified under subdivision 2.</p> <p style="padding-left: 40px;">Subd. 2. Certification of needed withdrawal, distribution of funds. Sets the withdrawal amount for each eligible parcel to the tax imposed by local governments providing land related services in the area. If funds are insufficient to make all payments, all payments are reduced proportionately. The local governments are required to use the amounts paid under this section to fund land related services.</p>	No comparable provision.

Sec.	Article 6: In Perpetuity Payments on Land Purchases	
	Effective January 1, 2018, and applies to all land acquired with money appropriated on or after July 1, 2017.	
18	Delayed requirement for trust fund payments for appropriations in fiscal year 2018. Provides that for appropriations for land purchases for fiscal year 2018, the state does not need to make the required appropriations to the trust fund payments accounts until August 1, 2018 (fiscal year 2019). The prohibition against land purchases with revenues from the outdoor heritage fund and environment and natural resources fund will only go into effect if the required appropriations have not been made by that date. Effective the day after final enactment.	No comparable provision.

Sec.	Article 7: Local Option Sales and Use Taxes	Article 5: Local Option Sales and Special Taxes
1	<p>Merchant bags. Prohibits a local government from imposing a fee or tax on merchant-provided bags.</p> <p>Effective May 31, 2017. Invalidates ordinances enacted before the effective date.</p>	No comparable provision.
2-3	<p>Duluth food and beverage tax and lodging tax. Changes the boundary line defining the area in which Duluth may spend revenues from its extra one-half percent food and beverage tax and lodging tax from 34th Avenue West to 14th Avenue West, including Skyline Parkway and the area south. Effective the day after the city files its approval with the Secretary of State.</p>	Sections 1-2. Same.
4-6	<p>Mankato; use of revenues. Allows the city to extend its sales tax for different projects, as approved by the voters at the 2016 general election.</p> <p>The city may raise another \$47 million plus associated bond costs to fund:</p> <ul style="list-style-type: none">• construction and improvements to regional recreational facilities including indoor athletic facilities;• improvements to the flood control and levee system;• water quality improvement projects in Blue Earth and Nicollet Counties;• expansion of a transit building and related transit improvements;• regional public safety and emergency communications equipment, and• matching funds for regional facilities such as a historic museum, supportive housing, and a senior center. <p>The tax will now expire at the earlier of December 31, 2038 or when revenues are sufficient to fund the new projects and the city may issue up to \$47 million in new bonds for the projects.</p> <p>Effective the day after the city files its approval with the Secretary of State.</p>	Sections 3-5. Same.
7-8	<p>Hermantown. Allows the city of Hermantown to use its existing local sales tax revenue to make debt service payments on the Hermantown Wellness Center and extends the tax through the earlier of December 31, 2036, or when the city council determines that enough funds have been raised to pay for the projects and bonds. Voters approved this use at the 2016 general election. Effective the day after the city files its approval with the Secretary of State.</p>	Sections 6-7. Same.

Sec.	Article 7: Local Option Sales and Use Taxes	Article 5: Local Option Sales and Special Taxes
9-11	<p>New Ulm; use of revenues. As approved by the voters at the 2016 general election, allows the city to use revenues from its existing sales tax to fund costs, including associated bond costs for the following additional projects:</p> <ul style="list-style-type: none">• constructing an indoor waterpark and improving the existing pool;• constructing an indoor playground, wellness center, and gymnastics facility;• constructing a multipurpose winter dome;• improving Johnson Park Grandstand; and• improving the entrance road and parking at Herman Heights Park. <p>The city is allowed to issue up to \$14.8 million in bonds for the new projects and the tax is extended until revenues are sufficient to pay off both the existing and newly authorized bonds. Effective the day after the city files its approval with the Secretary of State.</p>	<p>Sections 8-10. Same.</p>
12	<p>Proctor; sales and use tax. Allows Proctor to increase the rate of its existing local sales tax from one-half percent to one percent, as approved by voters at the November 2014 general election to pay for the \$10 million in improvements to public utilities, sidewalks, bike paths and trails, and park and recreation facilities authorized in the 2008 and 2010 special laws. No additional spending is authorized.</p>	<p>Section 11. Similar. Language specifies the day but not the year in which the election was held.*</p> <p>*the year 2014 was added in the author’s amendment for the committee engrossment but not picked up in the final engrossment.</p>
13	<p>Albert Lea. Allows the Shell Rock River Watershed Board to use Albert Lea’s existing local sales tax revenue for general water quality projects. Adds a requirement that the board report to the Albert Lea City Council on a biannual basis on its expenditures.</p>	<p>Section 12. Same.</p>
14	<p>Albert Lea; termination of taxes. Extends the city of Albert Lea local sales tax for an additional 15 years, or when the city council determines that the tax has raised \$30 million to pay for authorized projects. The tax was previously authorized for 15 years or until \$15 million was raised. Effective the day after the city files its approval with the Secretary of State.</p>	<p>Section 13. Same.</p>
	<p>No comparable provision.</p>	<p>Sections 14 to 16. Worthington local option sales tax modification. Modifies the Worthington 0.5% local sales tax to authorize revenues to be used for construction of public athletic facilities, subject to the following requirements:</p> <p>The city must pass a resolution stating the intent to issue debt and propose a public hearing;</p> <p>The resolution must be published for two consecutive weeks, with a notice of the public hearing date, in the city’s official newspaper. The hearing must be held at least two weeks but not more than four weeks after the first publication;</p>

Sec.	Article 7: Local Option Sales and Use Taxes	Article 5: Local Option Sales and Special Taxes
		<p>If the city adopts the resolution, the resolution must be published in the city’s official newspaper but is not effective for 30 days;</p> <p>Within this 30 days, a petition requesting a citywide vote that is signed by voters constituting at least 10% of the number of votes cast in the last general election must be submitted to the county auditor. If this requirement is met, the resolution must be approved by the voters in a general or special election.</p> <p>Effective the day after the city files its approval with the Secretary of State.</p>
15	<p>City of North Mankato; taxes authorized. Allows the city to extend its existing sales tax to raise up to an additional \$9 million as approved by the voters at the 2016 general election. In addition to the currently authorized projects the city may use the additional money to fund construction of indoor athletic facilities. The existing projects include an interchange, trails, a library, riverfront development, and lake improvement projects. The city may issue an additional \$9 million in bonds to fund the authorized projects without an additional vote.</p> <p>The tax is extended to the earlier of December 31, 2038, or when revenues are sufficient to fund the total \$15 million (additional \$9 million) of projects plus associated bond costs. Currently the tax expires when revenues are sufficient to fund the current \$6 million and associated bond costs.</p>	<p>Section 17. Similar. Allows the city to issue an additional \$15 million in bonds for a total of \$21 million.</p>
16	<p>East Grand Forks; sales tax authorized. Allows the city of East Grand Forks to impose a local sales tax of up to one percent to fund improvements to the city swimming pool. The voters approved this at a special election held March 7, 2016. The city would be authorized to issue bonds for up to \$2.82 million for the project without an additional vote. The tax would expire at the earlier of five years or when revenues are sufficient to pay off the bonds. Effective the day after the city files its approval with the Secretary of State.</p>	<p>Section 18. Same.</p>
	<p>No comparable provision.</p>	<p>Section 19. Excelsior local option sales tax authorization. Authorizes the city of Excelsior to impose a local option sales tax of up to 0.5%, as approved by the voters at the November 2014 general election. Revenues must be used to finance capital and administrative costs of improvements to The Commons park. Authorizes the city to bond for up to \$7 million for the improvements. The tax terminates at the later of 25 years after the tax is first imposed, or when the city council determines that a sufficient amount has been raised to pay the bond costs plus interest. Effective the day after the city files its approval with the Secretary of State.</p>
17	<p>Fairmont; sales tax authorized. Allows the city of Fairmont to impose a local sales tax of up to one-half of one percent to fund up to \$15 million capital and administrative costs for recreational</p>	<p>Section 20. Same.</p>

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	amenities, trails, and a community center. The voters approved this at the 2016 general election. The city would be authorized to issue bonds for these projects without an additional vote. The tax would expire at the earlier of 25 years or when revenues are sufficient to cover the \$15 million plus any associated bond costs.	
18	Fergus Falls; sales tax authorized. Allows the city of Fergus Falls to impose a local sales tax of up to one-half of one percent to fund expansion and betterment of the Fergus Fall Public Library. The voters approved this at the 2016 general election. The city would be authorized to bond for up to \$9.8 million for the project without an additional vote. The tax would expire at the earlier of 12 years or when revenues are sufficient to pay off the bonds.	Section 21. Same.
19	Moose Lake; sales tax authorized. Allows the city of Moose Lake to impose a local sales tax of up to one-half of one percent to fund: (1) city park improvements; (2) street and related infrastructure improvements; and (3) improvements to its municipal arena. The voters approved this at the 2012 general election. The city would be authorized to bond for up to \$3 million for the projects without an additional vote. The tax would expire at the earlier of 20 years or when revenues are sufficient to pay off the bonds.	Section 22. Same.
20	New London; sales tax authorized. Allows the city of New London to impose a local sales tax of up to one-half of one percent to fund: (1) construction and equipping of a new library and community room; (2) construction of an ambulance bay; and (3) improvements to its Senior Citizen Center. The voters approved this at the 2016 general election. The city would be authorized to issue bonds for up to \$872,000 for the projects without an additional vote. The tax would expire at the earlier of 20 years or when revenues are sufficient to pay off the bonds.	Section 23. Same.
	No comparable provision.	Section 24. North Mankato food and beverage tax authorization. Authorizes North Mankato to impose by ordinance a sales tax of up to 1% on gross receipts of sales of food and beverages by a restaurant or place of refreshment in the city, including retail on-sales of alcoholic beverages. The definition of "restaurant or place of refreshment" would be defined by city resolution. The tax would be used to finance operation, maintenance, and capital expenses for the Caswell Park Regional Sporting Complex and costs related to regional tourism events. Effective the day after the city files its approval with the Secretary of State.
21	Sleepy Eye; lodging tax authorized. Allows the city of Sleepy Eye to impose a local lodging tax of up to two percent in addition to the general local lodging tax of three percent allowed under general statute. Limits the combined lodging tax under this special law plus the general authority to five percent. Ninety-five percent of the revenues from	Section 25. Same.

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	this additional lodging tax must be used for tourism promotion—the same purposes listed in the general law.	
22	Spicer; sales tax authorized. Allows the city of Spicer to impose a local sales tax of up to one-half of one percent to fund: (1) pedestrian public safety improvements on Trunk Highway 23; (2) park and trail capital improvements; and (3) capital improvements to regional community facilities. The voters approved this at the 2016 general election. The tax would expire at the earlier of ten years after first imposed or December 31, 2027.	Section 26. Similar. Adds bonding authority of \$800,000 for the projects and allows the tax to terminate at the earlier of ten years after first imposed, December 31, 2027, or when the revenues are sufficient to pay off the bonds.
23	Walker; sales tax authorized. Allows the city of Walker to impose a local sales tax of up to 1.5 percent to fund a number of projects outlined in its 2012 capital improvement plan. The voters approved this at the 2012 general election. The city would be authorized to bond for up to \$20 million for the projects without an additional vote. The tax would expire at the earlier of 20 years or when revenues are sufficient to pay off the bonds.	No comparable provision.
24	City of Windom, local taxes authorized. Allows the city to impose a local sales tax of one percent based on approval of the voters at the 2016 general election. Revenues from the tax must be used to pay for construction and improvement of a fire hall and public safety facility; including associated bond costs. The city may issue bonds for the projects without additional voter approval. The tax expires at the earlier of 15 years after imposition or when revenues equal \$3.5 million.	No comparable provision.
25	Clay County; sales tax authorized. Authorizes Clay County to issue local bonds secured by a local sales and use tax on one-half of one percent to finance new county correctional and law enforcement facilities. The voters approved the tax at the November 8, 2016, general election. The county is allowed to issue up to \$52 million in bonds for the project without another vote. The tax expires at the earlier of: (1) 20 years after the tax is first imposed; or (2) when funds are sufficient to repay the bonds.	Section 27. Similar. Minor word differences in defining allowed uses.
26	Garrison, Kathio, West Mille Lacs Lake Sanitary District; sales tax authorized. Allows the Garrison, Kathio, West Mille Lacs Lake Sanitary District to impose a local sales tax of up to one percent to raise up to \$10 million to repay bonds and pay for maintenance and improvements of the waste water system. The tax was approved by local voters at the 2016 general election. Allows the district to issue bonds up to \$10 million minus the amount of bonds that the sales tax revenue is already committed to pay. If imposed, the tax expires at the earlier of 20 years or when \$10 million has been raised.	No comparable provision.
	No comparable provision.	Section 28. Woodbury lodging tax authorization. Authorizes Woodbury to impose a local lodging tax of up to two percent in addition to the general local lodging tax of three percent allowed under general statute. Limits the

Sec.	Article 7: Local Option Sales and Use Taxes	Article 5: Local Option Sales and Special Taxes
		combined lodging tax under this special law plus the general authority to five percent. Ninety-five percent of the revenues from this additional lodging tax must be used for tourism promotion—the same purposes listed in the general law.
27	Proctor; effective date; validation of prior act. Retroactively approves the extension of the existing sales tax and new uses for the sales tax revenue authorized in the 2008 and 2010 special laws, based on the voter approval at the 2010 general election and the filing of local approval with the Secretary of State by January 1, 2015.	Section 29. Same.

Sec.	Article 8: Tax Increment Financing	Article 6: Tax Increment Financing
1	<p>Economic development districts. Modifies the definition of economic development TIF districts to authorize the alternative findings for workforce housing projects authorized by section 2.</p> <p>Effective date: Districts for which the request for certification is made after June 30, 2017.</p>	No comparable provision.
2	<p>TIF plan approval; workforce housing projects. Specifies the findings that a city must make to approve an economic development TIF district for workforce housing:</p> <ul style="list-style-type: none">the city is located outside the seven-county, Twin Cities metropolitan area (defined by reference to the Metropolitan Council’s jurisdictional area);the average vacancy rate for rental housing in the city or any other city within 15 miles is 3 percent or less for at least the last two years;a business in the city or within 15 miles of the city that employs 20 or more full-time equivalent employees has provided a written statement that the lack of available rental housing has made it difficult to hire employees; andthe city intends to use increments to develop workforce housing. <p>Effective date: Districts for which the request for certification is made after June 30, 2017.</p>	No comparable provision.
3	<p>Economic development district. Allows increments from an economic development district to be spent for workforce housing projects.</p> <p>Effective date: Districts for which the request for certification is made after June 30, 2017.</p>	No comparable provision.
4	<p>Housing districts; income limits. Allows the higher income limits under the Minnesota Housing Finance Agency (MHFA) challenge program to be used for housing TIF districts, if the project receives an MHFA grant from the program.</p> <p>Effective date: Districts for which the request for certification is made after June 30, 2017.</p>	No comparable provision.
5	<p>Definition of increment under five-year and pooling rules. Modifies the definition of increment under the five-year rule (imposing time limits on spending increments) and the pooling rule (imposing percentage limits on increments that may be spent outside of the TIF district) to exclude increments that are repaid by developers.</p> <p>Effective date: Districts for which the request for certification was made after the day following final enactment.</p>	Section 1. Same.
6	<p>Pooling limits; application to increments. Modifies reference to increments in percentage pooling rule to be consistent with the change made in section 5.</p>	Section 2. Same.

Sec.	Article 8: Tax Increment Financing	Article 6: Tax Increment Financing
	Effective date: Districts for which the request for certification was made after the day following final enactment.	
7	Five-year rule; application to increments. Modifies five-year rule reference to increments to be consistent with the change made in section 5. Effective date: Districts for which the request for certification was made after the day following final enactment.	Section 3. Same.
8	Interfund loans. Modifies the interfund loan provisions to make it easier for cites and development authorities to make and document interfund loans. The changes include: <ul style="list-style-type: none">• Allowing loans to be made up to 60 days after the money has already been transferred or spent. (Under present law, the loan terms must be set before the loan is made.)• Authorizes passage of the interfund loan resolution before the TIF plan is approved. Present law is unclear as to whether the resolution can authorize interfund loans for future TIF districts.• Authorizes rewriting loan terms after the loan has been made if it is done before the TIF district is decertified.• Requires an annual report of the amount of interfund loans made and any amendments of loan terms made in prior years. Effective date: Day following final enactment for all TIF districts.	Section 4. Same.
9	Burnsville; TIF. Modifies a 2008 special law that grants the city of Burnsville special TIF authority to develop the Northwest Quadrant, an area of the city that contains a quarry and closed landfill, bordering on the Minnesota River. It allows five more years (from December 31, 2018, to March 20, 2023) to create TIF districts in the area and changes the special rules to provide more exceptions to general law: <ul style="list-style-type: none">• Economic development district authority. The city can create economic development districts in the area. Under the 2008 special law, only redevelopment, renewal and renovation, and soils districts could be created.• Waiving increments. The city may elect the first year it will receive increment from a district (i.e., the year in which the duration limit begins to run) for up to eight years. General law prohibits extending the start of duration limits by waiving increment. In addition, the city is allowed to waive the 2017 increment, which has already been received, and that increment does not count toward calculation of the duration limit.• Knock-down rule. The four-year knockdown rule is extended to nine years.	Section 5. Similar, but does not allow waiving increment to extend the duration limit and extends the authority to create districts to December 31, 2020 (rather than to March 20, 2023 as in the House bill).

Sec.	Article 8: Tax Increment Financing	Article 6: Tax Increment Financing
	That rule drops a parcel from a TIF district if no development or improvements are made within four years after certification of the district.	
10	Seaway Port Authority; TIF. Modifies a 2009 special TIF law for the Seaway Port Authority of Duluth by adding four parcels to the area in which the district may be created and authorizing the use of interfund loans prior to approval of the TIF plan for any purpose that tax increments may be spent for. This authority applies to a resolution of the port authority adopted on or after March 25, 2010, and preempts application of the rules adopted by section 8.	Section 6. Same.
11	Edina; TIF. Modifies a 2014 special law for the city of Edina, granting the city an additional three years to approve districts. The 2014 special legislation allowed the city to create housing districts in its Southeast Edina Redevelopment Project Area through June 30, 2017, with a 20-year duration (as compared with 25 years under general law) and only 20 percent of the units were required to be low-income housing, as opposed to 40 percent under general law. The city is authorized to use up to 35 percent of the revenues from its Southdale 2 economic development district to assist these housing developments. Effective date: Day following final enactment without local approval.	Section 7. Similar, but allows the city 6 months less to approve district – i.e., through December 31, 2019 (rather than June 30, 2020 in the House bill).
12	Maple Grove; TIF. Modifies a 2014 special law for the city of Maple Grove. The special law allowed the city to establish TIF districts subject to various special rules to develop the site. The law defined an area of the city as the project area (i.e., the area in which the city could both expend tax increments and establish the TIF districts). Before proceeding under the law, the city was required to find that specific conditions existed in the defined area—specifically that certain percentage tests were met. This section amends the special law to allow the city to designate only part of the defined area. This will give the city more flexibility in determining whether the percentage tests are met, but will also limit where moneys may be spent and TIF districts created. The city is allowed to include area outside of the defined area, if part of the parcel is in the defined area. The section allows the city to use money from soils deficiency districts for land acquisition and infrastructure outside of the TIF district that generated the increment, if it is for a development that does not include retail or housing developments. The 2014 special law only allowed these increments to be used to pay for soils corrections or the additional costs of infrastructure that result from the soils deficiencies.	Section 8. Same.
13	City of Anoka; TIF. Extends the five-year rule to eight years for the Greens of Anoka redevelopment TIF district in Anoka. It does this by deeming the district to be certified on June 29, 2012, rather than	Section 9. Same.

Sec.	Article 8: Tax Increment Financing	Article 6: Tax Increment Financing
	its actual certification date three days later on July 2, 2012.	
14	<p>Coon Rapids; TIF. Allows the city of Coon Rapids to extend the duration of its TIF District 6-1 (Port Riverwalk) through 2038. This is a five-year extension.</p> <p>Effective date: Local approval by the city, county, and school district.</p>	Section 10. Same.
15	<p>Cottage Grove; TIF. Extends the five-year rule for TIF District No. 1-12 (Gateway North) in the city of Cottage Grove to allow expenditures until January 1, 2017. This district was certified in 2002, so that the extension is a ten-year extension of the five-year period.</p>	Section 11. Same.
16	<p>Edina; special law approval. Gives the city of Edina until December 31, 2017, to file its certificate of local approval of a 2014 special TIF law for the city. The city needed to file the certificate with the secretary of state before January 6, 2015, for the law to take effect. Although the city council approved the special law, the required filing was not done.</p> <p>In addition, the section validates any actions that the city has taken under the special law prior to the effective date of the section. See the summary of section 11 for a description of the provisions of the special law.</p> <p>Effective date: Day following final enactment without local approval.</p>	Section 12. Similar, except December 31, 2016 date for the required filing is used (city has already filed).
17	<p>Moorhead. Provides an extension of the five-year rule for the 1st Avenue North Redevelopment District in the city of Moorhead that parallels the Anoka provision in section 13.</p> <p>Effective date: Local approval by the city.</p>	Section 13. Same.
18	<p>Richfield; TIF. Authorizes the city of Richfield and its Housing and Redevelopment Authority (HRA) to extend the duration of the Cedar Avenue TIF district by ten years. This district was established under a 2005 special law as a redevelopment district and has a duration limit of 25 years after receipt of the first increment. As a result, the bill would authorize a 35-year duration.</p> <p>The 2005 special law exempted the district from the five-year rule and the requirement that 95 percent of redevelopment district increments must be used to correct the conditions that allowed designation of a redevelopment district (e.g., substandard buildings).</p> <p>Effective date: Local approval by the city, Hennepin County, and School District No. 280.</p>	Section 14. Same.
19	<p>Richfield; TIF. Extends the five-year rule for the Lyndale Gardens TIF district in the city of Richfield by three years.</p> <p>Effective date: Local approval by the city.</p>	Section 15. Similar, but limits the extension to seven years (rather than eight as permitted under the House bill).
20	<p>Rochester; TIF. Authorizes the city of Rochester to use increments from its TIF district number 36, BioScience Project that are derived from the sale or lease of property, acquired with tax increments, to operate, maintain, and improve the properties,</p>	No comparable provision.

Sec.	Article 8: Tax Increment Financing	Article 6: Tax Increment Financing
	<p>including funding reserves. Under general law, these increments must be used in the same manner as other increments (except for purposes of the five-year rule and percentage pooling restrictions). It is unclear to what extent they may be used for property maintenance and operations. Three years after decertification of the district, the moneys will no longer be treated as increments.</p> <p>Effective date: Day following final enactment without local approval.</p>	
21	<p>South St. Paul; TIF. Authorizes the Economic Development Authority (EDA) of city of South St. Paul to retroactively approve an interfund loan agreement for the 4th Avenue Village Tax Increment Financing District for purposes of Minnesota Statutes, section 469.178, subdivision 7. To do so, the EDA must act by August 1, 2017.</p> <p>Background information. Cities and development authorities (EDAs and similar) often pay for infrastructure costs with money in their general or development funds. The funds can be reimbursed for these costs with tax increments if the expenditures qualify as an “interfund loan” for the TIF district—that is, the city’s general fund is lending money to the TIF project in the expectation of being repaid. (Paying with tax increments shifts some of the cost to the county and school district, because tax increments are generated by their taxes as well as city taxes.) General law requires interfund loan agreements to be approved before the expenditures are made to qualify the spending as items that can be paid with tax increments. That limit is intended to prevent cities from treating expenditures made from their general or development funds as TIF qualified costs after the fact when the TIF district unexpectedly has sufficient increments to reimburse the fund for those costs. This bill would exempt this TIF district from that general law rule.</p> <p>Effective date: Day following final enactment without local approval.</p>	No comparable provision.
22	<p>St. Louis Park; TIF. Extends the five-year rule for the Elmwood Village TIF district in the City of St. Louis Park through December 31, 2019, and increases the permitted pooling percentage for the district from 25 percent to 45 percent. This district was granted a seven-year extension under a 2009 special law.</p>	<p>Section 16. Allows the city to increase the district permitted pooling percentage to 30 percent, but makes no change in application of the five-year rule.</p>
23	<p>St. Paul; TIF. Allows the City of St. Paul to waive increments for up to four years (but not beyond taxes payable in 2023) for the TIF district that it created for the Ford Motor Company plant site. This will allow the city flexibility to increase the increment collected for the district by delaying the start of the 25-year duration limit until development of the site has begun. In addition, if the city elects to waive increments under this authority, the district’s certification date will be deemed to be January 2 of the assessment for the first year increment is received under the waiver for purposes of</p>	<p>Section 17. Same.</p>

Sec.	Article 8: Tax Increment Financing	Article 6: Tax Increment Financing
	calculating the five-year and four-year (knock-down) rules.	
24	<p>Washington County; TIF in Newport. Authorizes the Washington County Community Development Agency (CDA) to establish TIF districts under special law rules in a defined area of the city of Newport. This authority ends on December 31, 2027.</p> <p>These special law rules provide that:</p> <ul style="list-style-type: none">• The listed parcels are deemed to meet the statutory “blight” test to establish a redevelopment district (i.e., they are treated as containing substandard buildings). This will give the CDA flexibility to establish redevelopment or renewal districts in the defined area of the city, because these parcel will count toward the percentage tests.• Increments spent outside the area of the district from which they were collected must be spent on blight correction in the specified geographic area.• The pooling percentage is increased to 80 percent (compared with 25 percent under general law) but spending of these pooled increments is limited the defined area.• The five-year rule is extended to nine years and the six-year rule does not apply to the districts. <p>Effective date: Local approval by both Newport and Washington County; also applies to an existing district created in 2016.</p>	<p>Section 18. Similar, except the permitted pooling percentage is set at 30 percent (rather than the 80 percent in the House bill), and requires that the districts comply with the six-year rule.</p>
25	<p>Wayzata TIF. Exempts TIF #3 (Widsten) in the city of Wayzata from the five-year rule to allow the city to use increment from district for a municipal parking ramp. This district is a redevelopment district was certified in 1996, so the five-year ended in 2001.</p>	No comparable provision.

Sec.	Article 9: Public Finance	Article 7: Public Finance
1	Town certificates of indebtedness for Freon replacement. Allows towns to issue 20-year certificates of indebtedness for projects to eliminate R-22 (Freon-based refrigerant).	Section 1. Same.
2	Hennepin County capital notes for Freon replacement. Allows Hennepin County to issue 20-year capital notes for projects to eliminate R-22 (Freon-based refrigerant).	Section 2. Same.
3	Home rule charter city capital notes for Freon replacement. Allows home rule charter cities to issue 20-year capital notes for projects to eliminate R-22 (Freon-based refrigerant).	Section 3. Same.
4	Statutory city capital notes for Freon replacement. Allows statutory cities to issue 20-year capital notes for projects to eliminate R-22 (Freon-based refrigerant).	Section 4. Same.
5	Lease-backed bonds; reverse referendums. Provides for a reverse referendum on whether a city (excluding first class cities), county, or urban town may enter into a lease of three or more years for real property with a housing and redevelopment authority, port authority, EDA, or other entity established by special law with powers similar to those authorities, if the authority issued bonds or other debt instruments to finance the property.	No comparable provision.
	No comparable provision.	Section 5. Maximum limit on HRA GO bonds. Increases the maximum dollar limit on HRA general obligation bonds from \$3 million to \$5 million.
6	Publication requirement; districts created by EDAs. Allows an EDA to publish hearing notices for creating economic development districts in any general circulation newspaper, not just “daily” newspapers.	Section 6. Same.
7	Metropolitan council transit bonding. Authorizes the metropolitan council to issue up to \$126 million in additional bonds to finance its transit capital improvement plan. An \$82.1 million limit applies to the amount that may be issued in state fiscal year 2018 and the balance may be issued after July 1, 2018.	No comparable provision.
8	Metropolitan council spending of bond proceeds for LRT. Prohibits the metropolitan council transit from spending proceeds of its general obligation bonds (e.g., the authorization under section 7) to finance a new LRT line, an extension of an existing LRT line, or provision of additional stops on an LRT line. Effective the day final enactment, but spending under binding contracts entered before March 25, 2017, is permitted.	No comparable provision.
	No comparable provision.	Section 7. Street reconstruction bonds. Eliminates the requirement that street reconstruction bonds be approved by unanimous vote of the governing body in favor of a simple majority approval.
9	Waiver of public sale requirement. Modifies the conditions to qualify for an exemption from public	Section 8. Same.

Sec.	Article 9: Public Finance	Article 7: Public Finance
	sale (i.e., competitive bidding) of bonds so that the municipality is required to retain an independent “municipal” advisor, rather than a “financial” advisor.	

Sec.	Article 10: Tobacco Taxes	
1, 4-5	Premium cigar. Section 1 eliminates the hand-rolled requirement under the definition of “premium cigar”. Sections 4 and 5 reduce the maximum tax for those cigars from \$3.50 to \$.50. Effective July 1, 2017.	No comparable provision.
2-6	Rates; cigarettes. Section 2 freezes the cigarette excise tax at the current rate of \$3.04 per pack. Section 6 repeals the annual inflation adjustment on the cigarette excise tax. Effective July 1, 2017.	No comparable provision.
3	Rates; tobacco products. Modifies the tax for moist snuff so that it applies to each 1.2 ounce container or amount, if the moist snuff is sold in a container holding more than 1.2 ounces. Effective July 1, 2017.	No comparable provision.

Sec.	Article 11: Tax Administration	
1	<p>Private letter ruling (PLR) program. Directs the commissioner of revenue to establish a PLR program by January 1, 2018. This program would be similar to the Internal Revenue Service's PLR program and would provide guidance and an explanation of the reasoning behind the ruling to applying taxpayers as to the state tax treatment of specific transactions or situations. DOR could exclude categories of transactions or provisions of law from the program.</p> <p>Requires the commissioner to use the administrative rulemaking process to adopt rules governing the PLR program.</p> <p>Effective date: Day following final enactment.</p>	No comparable provision.
2	<p>Authority to request dual audits. Authorizes certain taxpayers who are audited under either chapter 290 (individual income and corporate franchise tax) or chapter 297A (sales and use tax) to request in writing that the commissioner audit the tax due under both chapters at the same time. If the commissioner declines to do so, then the commissioner may not subsequently audit the tax due under the chapter not subject to audit for the time period covered by the audit. Taxpayers qualify to request dual audits if the taxpayer:</p> <ul style="list-style-type: none"> • has a sales tax collection permit; • reported gross receipts in the most recent year less than \$150,000; and • was subject to a sales or income/corporate franchise tax audit for a period within the last five years, and the audit found additional liability less than \$1,000 or five percent of liability. 	No comparable provision.
3	<p>Limits on assessments; sales tax. Prohibits the commissioner from assessing tax under the sales taxes that are inconsistent with the taxpayer's past practices, if they were fully disclosed to and specifically reviewed by DOR in an audit and DOR did not assess additional tax for that item. This limit would not apply if the commissioner has notified the taxpayer in writing, issued a contrary revenue notice, or the law has been materially changed (e.g., by Congress, the legislature, or by administrative rule).</p> <p>Effective date: Assessments made after June 30, 2017.</p>	No comparable provision.
4	<p>Limits on assessments; reasonable cause. Establishes a reasonable cause ground for reducing or eliminating an assessment of tax that the taxpayer is required to collect or withhold from another individual or entity (e.g., sales or withholding taxes). A taxpayer may assert this defense on audit, in an administrative appeal, or in a refund claim. Lack of clarity in the law may be a reasonable cause; reliance on prior written advice from DOR that has not been superseded or preempted is reasonable cause.</p> <p>Effective date: Assessments made after June 30, 2017.</p>	No comparable provision.

Sec.	Article 11: Tax Administration	
5	<p>Authority to abate penalties. Gives the commissioner of revenue discretion to decline to impose or to abate tax penalties.</p> <p>Effective date: Day following final enactment.</p>	No comparable provision.
6	<p>Administrative appeals. Specifies the content required in an administrative appeal based on the reasonable cause exception under section 5.</p> <p>Effective date: Assessments made after June 30, 2017.</p>	No comparable provision.
7	<p>Timely mailing of tax court filing; no postmark. Allows proof of timely mailing by affidavit of the taxpayer or counsel that the notice of appeal, proof of service, and filing fee were timely mailed when the materials are delivered by U.S. Mail but no postmark is applied.</p> <p>Effective date: Notices mailed after June 30, 2017.</p>	No comparable provision.
8	<p>Tax court filings. Authorizes the tax court to provide for the manner of filing of notices, documents, and so forth. This will allow the court to require electronic filing.</p> <p>Effective date: Notices mailed after June 30, 2017.</p>	No comparable provision.
9	<p>Post-trial motions; time to file. Extends the time to file motions for rehearing, amended filings, and similar from 15 days to 30 days.</p> <p>Effective date: Petitions and appeals filed after June 30, 2017.</p>	No comparable provision.
10	<p>Tax court; conflict of interest. Drops employees of the tax court from the one-year ban on representing clients before the court after they leave the court's employment and eliminate representing clients before DOR altogether (i.e., a judge who leaves the court would not be banned from representing a client before DOR for the one-year period).</p> <p>Effective date: Day following final enactment.</p>	No comparable provision.
11	<p>Statute of limitations; refund claims. Modifies the statute of limitation that applies to claims for refund to two years after payment of the tax. Under present law, the limit is one year following an assessment order or one year after payment of the tax on a commissioner-filed return. The limit for refunds resulting from federal (IRS) orders is extended to 180 days after the final federal determination.</p> <p>Effective date: Claims for refunds after the day following final enactment.</p>	No comparable provision.
12	<p>De minimis penalties. Provides no penalty for failure to pay tax applies if the calculated amount is less than \$150, or if the underpayment resulting in the penalty is less than \$1,000 and the taxpayer filed timely returns in the previous three years and was not subject to a penalty for any of those years (regardless of whether it was excused by the \$150 de minimis).</p> <p>Effective date: Penalties imposed after January 1, 2018.</p>	No comparable provision.

Sec.	Article 12: Miscellaneous	Article 8: Miscellaneous
1	No state spending for certain rail projects. Prohibits using state money for the Zip Rail project. This limit applies to any purposes related to the project but does not apply to voluntary private contributions. Effective date: Day following final enactment.	No comparable provision.
2	Restrictions on leasing state property for Zip Rail. Requires the commissioners of administration and transportation to include security bonds or similar guarantees against state loss in leases for the Zip Rail project. Effective date: Day following final enactment.	No comparable provision.
3	Eminent domain. Prohibits use of eminent domain law by the state, a local government, or a private railroad for the Zip Rail project. Effective date: Day following final enactment.	No comparable provision.
4	Franchise fees; reverse referenda. Provides for public notice, a hearing, and reverse referendum on whether the municipality may impose a franchise fee on a public utility to raise revenue (rather than defraying or offsetting the municipality's costs). Effective date: Licenses, permits, or franchise agreements entered starting August 1, 2017. For a fee imposed before then that remains in effect after August 1, 2022, the municipality must follow the notice, hearing, and reverse referendum procedures by August 1, 2022.	No comparable provision.
5	Environmental insurance required for passenger rail projects. Requires a private entity seeking a federal or state permit to construct or operate a passenger rail project with a capital cost of \$1 billion or more to obtain environmental insurance. (The definitions exclude projects operated by a governmental unit, e.g., LRT or commuter rail projects operated by the Metropolitan Council.) The requirements would only apply to the developer of the project, not a contractor who applied for a building permit. Effective date: Projects for which application is made after the day following final enactment.	No comparable provision.
6	Political contribution refund. Strikes a reference to the political contribution refund, which is repealed in section 23.	No comparable provision.
7	Tax incidence study. Requires the biennial tax incidence study, prepared by the Department of Revenue (DOR), to include information on the distribution of federal taxes paid by Minnesota residents. Effective date: Would first apply to the 2019 tax incidence study.	No comparable provision.
8	Tax, how payable; receipts. Requires the commissioner of revenue to calculate and distribute each county's share of the mortgage registry tax on multiple county mortgages. Effective for tax collected after June 30, 2017.	Section 1. Similar. Minor effective date difference.

Sec.	Article 12: Miscellaneous	Article 8: Miscellaneous
9	Political contribution refund; conforming changes. Eliminates a reference to the political contribution refund, which is repealed in section 23.	No comparable provision.
10	Political contribution refund; conforming changes. Strikes a definition of the term “taxpayer” that is used in determination of the political contribution refund, which is repealed in section 23.	No comparable provision.
	No comparable provision.	Section 2. Provider tax; exemption for intergovernmental transfers. The 2% provider tax applies to health care providers, hospitals, surgical centers, and wholesale drug distributors on their gross revenues for patient services and is deposited to the Health Care Access Fund. Some services are excluded from gross revenues under the statute. Under federal law, states can use state or local tax dollars transferred from local units of government to fund their Medicaid programs. The money transferred can be used as the state Medicaid match to draw down the federal Medicaid match. This section exempts supplemental or enhanced payments made through intergovernmental transfers from gross revenues subject to the provider tax. Effective retroactively for gross revenues received on or after July 1, 2016.
	No comparable provisions.	Sections 3, 5, 6, 8, 9, 11, 12, and 20. Gasoline used as a substitute for aviation gasoline. Makes the following changes: Adds a definition to the fuel tax chapter of statutes, defining “dealer of gasoline used as a substitute for aviation gasoline” as a person who sells gasoline on the premises of an airport to be dispensed directly into the fuel tank of an aircraft. Exempts from the fuel excise tax gasoline purchased by a dealer of gasoline used as a substitute for aviation gasoline. Applies the five cents per gallon aviation gasoline tax to gasoline used as a substitute for aviation gasoline. Provides that the aviation gasoline tax does not apply to gasoline purchased and placed in an aircraft fuel tank outside the state of Minnesota. Provides that the aviation gasoline tax is not a tax upon consumption by an aircraft. Exempts a licensed ambulance service from liability for the aviation gasoline tax. Requires gasoline taxpayers to include in their monthly reports to the Department of Revenue a statement of the number of gallons sold to a dealer of gasoline used as a substitute for aviation gasoline. Requires a person who buys gasoline from a dealer of gasoline used as a substitute for aviation gasoline and pays

Sec.	Article 12: Miscellaneous	Article 8: Miscellaneous
		<p>the tax on it, then uses it in motor vehicles, or sells it knowingly to a person for use in motor vehicles, to report this to the commissioner of revenue.</p> <p>Requires a person claiming a graduated refund or credit to set forth in the claim formthe total number of gallons of gasoline used as a substitute for aviation gasoline on which tax was paid during the calendar year.</p> <p>Adds purchasers of gasoline used as a substitute for aviation gasoline to the eligible claimants for refunds of aviation taxes paid and not used in motor vehicles or in aircraft.</p> <p>Adds taxpayers who have paid aviation tax on gasoline used as a substitute for aviation tax, and airflight property tax, or is an aerial applicator, to the eligible claimants for refunds on a graduated basis.</p> <p>Exempts gasoline sold to a dealer of gasoline used as a substitute for aviation gasoline from the presumption that all gasoline in this state is intended for use in motor vehicles.</p> <p>Provides that revenues from excise taxes on gasoline used as a substitute for aviation gasoline are credited to the state airports fund and appropriated to the commissioner as needed.</p> <p>Establishes recordkeeping and retention requirements for dealers of gasoline used as a substitute for aviation gasoline.</p> <p>Repeals a subpart of Minnesota Rules that describes who may claim refunds for gasoline used as a substitute for aviation gasoline, effective the day following final enactment. All other provisions are effective for sales and purchases made after June 30, 2017.</p>
11-12	Compressed natural gas definition. Changes the defined energy content of compressed natural gas, reduces the motor fuels tax rate for compressed natural gas, and sets a gasoline equivalent in cubic feet.	Sections 4 and 7. Same.
13-14	Refunds of petroleum excise tax; non-highway use. Allows refunds of the excise tax on motor fuels for off-road use of special fuels (diesel fuel) used for certain refrigeration units, semi-trailers, and power takeoff units, and exempts these fuel purchases from the general sales tax. Effective date: Sales after June 30, 2017.	Sections 10 and 13. Same.
15	Combined receipts gambling tax. Excludes six percent of a lawful gambling organization’s spending on specified lawful purposes from gross receipts subject to the combined receipts gambling tax. Payment of local, state or federal gambling	No comparable provision.

Sec.	Article 12: Miscellaneous	Article 8: Miscellaneous
	taxes (a lawful purpose) does not qualify for this exclusion. Effective date: July 1, 2017.	
	No comparable provision.	Section 14. Small winery credit. Authorizes a credit for qualified wineries, defined as wineries in any state manufacturing fewer than 75,000 gallons of wine and cider annually. The credit is equal to the excise taxes due on wine and cider, for wine and cider sold in the fiscal year beginning July 1, up to \$136,275. Requires the commissioner of revenue to provide a report on claims for the credit from in-state and out-of-state small wineries. Effective July 1, 2017.
16	Guaranteed distribution. Guarantees the amount in the taconite municipal aid account under the production tax on taconite at 100 percent of the amount allocated in 1983. Under current law, the percent guaranteed decreases with production. Effective date: Beginning with 2018 distributions.	No comparable provision.
	No comparable provision.	Section 15. Taconite economic development fund. Adds concurrent reclamation to the list of allowable uses for taconite economic development funds. Effective the day following final enactment.
17	Cities; towns. Indexes the amount of the production tax allocated to the taconite municipal aid account to inflation. Effective date: Beginning with 2018 distributions.	No comparable provision.
18	No local spending for Zip Rail. Prohibits any city, county, or special taxing district in Development Regions 10 or 11 and the DMC entities from spending public money (other than voluntary private contributions) on the Zip Rail project, parallel to the limits on state spending in section 1. Effective date: Day following final enactment.	No comparable provision.
19	Limit on land use fees. Prohibits municipalities from imposing a fee to review or investigate a permitted use to see if it is in compliance with any official control (zoning). This does not apply if the investigations are for compliance with health and safety requirements or result in finding a violation and no penalty, fine, or charge is imposed. Effective date: Fees imposed after August 1, 2017.	No comparable provision.
20	No Metropolitan Council spending for Zip Rail. Prohibits the Metropolitan Council from spending public money (other than voluntary private contributions) on the Zip Rail project, parallel to the limits on state spending in section 1. Effective date: Day following final enactment.	No comparable provision.
	No comparable provision.	Section 16. 2010 production tax allocation. Modifies a 2010 one-time production tax allocation to the city of Cook by reducing the period by which if the city sells or otherwise disposes of land purchased with the production tax allocation the city must transfer a portion to the commissioner of IRRRB for deposit into the

Sec.	Article 12: Miscellaneous	Article 8: Miscellaneous
		taconite environmental protection fund. Effective the day following final enactment.
21	<p>Clarification. Clarifies that money in an account funded by a repealed 2007 distribution of the production tax may be spent as previously authorized and that the funds in the account do not lapse or cancel.</p> <p>Effective date: Retroactively to May 22, 2016.</p>	<p>Section 17. Same. Minor language difference in unspent funds permitted to be spent.</p>
	No comparable provision.	<p>Section 18. Taconite economic development fund allocation. Provides that the commissioner of Iron Range Resources and Rehabilitation may transfer 25.1 cents per taxable ton of the production tax to the taconite economic development fund. If the transfer is made, two-thirds shall be transferred from the taconite environmental protection fund and one-third shall be transferred from the Douglas J. Johnson economic protection fund, and deposited into the taconite economic development fund by June 30, 2017. Effective the day following final enactment.</p>
	No comparable provision.	<p>Section 19. Appropriation cancellation. Cancels a 2014 appropriation made to the commissioner of Iron Range Resources and Rehabilitation for a project in the city of Hoyt Lakes and returns the funds to the Minnesota 21st century fund.</p>
22	<p>Taylors Falls border city development zone. Authorizes the city of Taylors Falls to exercise border city development powers and allocates \$100,000 for state tax reductions in the zones. The allocation to border cities along the North Dakota and South Dakota borders will be reduced by the amount for Taylors Falls.</p> <p>Effective date: July 1, 2017 without local approval.</p>	No comparable provision.
23	<p>Supplement to the 2017 report. By January 2, 2017, requires the commissioner of revenue to supplement the 2017 tax incidence report with information regarding the distribution of federal tax required under section 7.</p>	No comparable provision.
24	<p>Repealer. Repeals the following:</p> <ul style="list-style-type: none">• Political contribution refund program, the section of the data practices law relating to political contribution refunds, the section providing for refund receipts, and an administrative rule related to issuance of refund receipts. Effective for contributions made and refund claims submitted after June 30, 2017.• Debt service aid for the Lewis and Clark water project in southwestern Minnesota; this project has been funded with state bond proceeds. The aid provisions were never used and are obsolete. Effective the day following final enactment.• Greater Minnesota internship credit. <p>Background. The Greater Minnesota Internship Tax Credit Program provides a refundable income and corporate franchise tax</p>	<p>No comparable provision.</p> <p>No comparable provision</p>

Sec.	Article 12: Miscellaneous	Article 8: Miscellaneous
	credit to employers of postsecondary student interns at locations outside the 11-county metro area (Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright Counties). The credit equals 40 percent of compensation paid to the intern, up to a maximum of \$2,000. Employers and students must meet various program requirements.	Article 1, Section 2. Greater Minnesota internship credit modification. Modifies the requirements for the Greater Minnesota internship credit to remove the requirements that the employer certify that it would not have hired the intern without the internship credit and that an internship required as part of an academic program does not qualify for the credit. Effective beginning in tax year 2017.

Sec.	Article 13: Transportation-Related Taxes	
1	Transportation priorities fund. Establishes a new transportation priorities fund in the state treasury. The sales tax revenue that is dedicated in the other sections of this article will be deposited into this new fund for transportation purposes.	No comparable provision.
2	Motor vehicle lease sales tax revenue. Allocates all revenue from the sales tax collected upfront on long-term motor vehicle leases, to a new transportation priorities fund created in the transportation bill. Paragraph (c) provides that the portion of revenue from the motor vehicle lease sales tax that comes from the legacy constitutional amendment is allocated in accordance with the constitutional distribution. This corrects a “double-allocation” of this revenue from the general fund under current law. Effective beginning with the revenue transfer in fiscal year 2018.	No comparable provision.
3	Deposit of revenues. Allocates the following revenues from the state sales taxes from the general fund to the transportation priorities fund, beginning with fiscal year 2018 and after: revenue from the rental sales tax (at 9.2 percent) and the state 6.5% general sales tax on short-term motor vehicle rentals, and a portion of general sales tax revenue representing the sale and purchase of motor vehicle repair parts, to go to the transportation priorities fund. The transfer amounts are: <ul style="list-style-type: none"> • \$156.8 million in fiscal year 2018; • \$151.1 million in fiscal year 2019; • \$266.618 million in fiscal year 2020; • \$287.718 million in fiscal year 2021; and • 4.293 percent of total revenue generated by the 6.5 percent sales tax in fiscal year 2022 and thereafter. Effective July 1, 2017.	No comparable provision.
4	Priority of fund uses. Directs the Counties Transit Improvement Board (CTIB) to fully fund operations and capital maintenance on existing light rail transit. The amount that must be provided by CTIB is reduced based on agreement with any counties that were part of CTIB but have withdrawn under section 8. Effective the day following final enactment and applies to operating costs in state fiscal year 2018 and after.	No comparable provision.
5	Authorization; rates. Clarifies that some of the local sales transportation taxes will be subject to voter approval as provided in section 6. Effective retroactively to March 31, 2017	No comparable provision.
6	Certain counties; voter approval limitations. Provides that a county that formerly belonged to CTIB must get voter approval to impose a local sales tax greater than one-quarter of one percent. Also requires these counties to get voter approval if	No comparable provision.

Sec.	Article 13: Transportation-Related Taxes	
	they want to expand the use of the tax under this section to pay for a new transit project if the project will require an annual operating subsidy of \$10 million. Effective retroactively to March 31, 2017	
7	Allocation; termination. Adds transit capital maintenance costs to the list of uses for local option transportation sales tax revenues to conform to the change in section 8.	No comparable provision.
8	Allocation for certain transitways. Requires counties that were formerly a member of CTIB and have a CTIB-funded light rail line located in the county to cover 100 percent of transitway operating and capital maintenance costs in conjunction with CTIB. Effective the day after final enactment.	No comparable provision.
9	Application. Extends the limitation on the use of Regional Rail Authority (RRA) levies currently applied to counties that are members of CTIB to those counties even if they are no longer members of CTIB. Effective the day after final enactment.	No comparable provision.
10	Definition. Changes the projects subject to the limit on use by CTIB counties of RRA levies to include extensions of light rail transit or commuter rail lines. Currently extensions of these lines are not subject to the limit. Effective the day after final enactment.	No comparable provision.
11	Motor vehicle parts sales taxes estimation. Directs DOR to report on an estimate of general sales tax revenue that is attributable to the sale and purchase of motor vehicle repair and replacement parts, including tires, accessories, affixed equipment, and fluids. The report is due by January 15, 2019.	No comparable provision.
12	Repealer. Repeals the requirement that any grant award by CTIB to the Metropolitan Council must supplement, not supplant, operating and capital assistance provided by the state. Effective July 1, 2017.	No comparable provision.

Sec.	Article 14: Vehicle Taxes and Fees	
1	Passenger automobile; hearse. Prevents an increase in total vehicle registration taxes due to the surcharge on electric vehicles established in section 2 for motor vehicles previously registered in Minnesota, regardless of prior ownership. Effective for registrations on or after January 1, 2018.	No comparable provision.
2	All-electric vehicle. Imposes a \$75 surcharge on electric vehicles as part of annual motor vehicle registration. Requires that the surcharge revenue be deposited in the highway user trust distribution fund. Effective for registrations on and after January 1, 2018.	No comparable provision.
3	All-electric vehicle. Defines an “all-electric vehicle” for the chapter of statutes on motor vehicle regulations, as one that is exclusively powered by an electric motor.	No comparable provision.

	Article 15: Department of Revenue 2015-2016 Sales Suppression Provisions	Article 10: Department of Revenue 2015-2016 Sales Suppression Device Provisions- Same
1	Automated sales suppression devices; definitions.	Section 1. Same.
2	Automated sales suppression devices.	Section 2. Same.
3	Use of automated sales suppression devices.	Section 3. Same.
4	Automated sales suppression devices.	Section 4. Same.

Sec.	Article 16: Department of Revenue 2015-2016 Policy and Technical Provisions; Income, Corporate Franchise, and Estate Taxes	Article 11: Department of Revenue 2015-2016 Policy and Technical Provisions; Income, Corporate Franchise, and Estate Taxes
1	Information included on income tax returns.	Section 1. Same.
2	Electronic filing requirement.	Section 2. Same.
3	Withholding statement.	Section 3. Same.
4	Reporting of exempt interest and dividends.	Section 4. Same.
5	Annual withholding returns.	Section 5. Same.
6	Annual withholding returns.	Section 6. Same.
7	Partnership assessments.	Section 7. Same.
8	Assessments for pass-through entities.	Section 8. Same.
9	Expanded electronic filing.	Section 9. Same.
10	Long term care insurance premiums credit.	Section 10. Same.
11	Research credit base period.	Section 11. Same.
12	Allocation language; corporate franchise tax.	Section 12. Same.
13	Partnership assessments.	Section 13. Same.
14	Landlord submission of certificates of rent paid to commissioner.	Section 14. Same.
15	Additions to taxable estate.	Section 15. Same.
16	Estate tax calculation.	Section 16. Same.
17	Includable small business property-estate tax.	Section 17. Same.
18	Recapture tax.	Section 18. Same.
19	Repealer.	Section 19. Same.

Sec.	Article 17: Department of Revenue 2015-2016 Policy and Technical Provisions; Special Taxes and Sales and Use Taxes	Article 15: Department of Revenue 2015-2016 Policy and Technical Provisions; Special Taxes and Sales and Use Taxes
1	Fire state aid.	Section 1. Same.
2	MinnesotaCare tax; omission in excess of 25 percent.	Section 2. Same.
3	Exemptions.	Section 3. Same.
4	MinnesotaCare tax; pharmacy refund.	Section 4. Same.
5	Petroleum tax; bulk storage or bulk storage facility definition.	Section 5. Same.
6	Petroleum tax; motor fuel definition.	Section 6. Same.
7	Petroleum products definition; biobutanol.	Section 7. Same.
8	Gasoline tax; biobutanol.	Section 8. Same.
9	Exemptions.	Section 9. Same.
10	Deposit in state airport fund.	Section 10. Same.
11	Untaxed gambling product.	Section 11. Same.
12	Solid waste management tax; recyclable materials and source-separated compostable materials.	Section 12. Same.
13	Insurance premiums tax; township mutual insurance companies.	Section 13. Same.
14	Firefighter relief surcharge payments.	Section 14. Same.
15	Firefighter relief surcharge payments appropriation.	Section 15. Same.
16	Occupation tax net operating loss.	Section 16. Same.

Sec.	Article 18: Department of Revenue 2015-2016 Policy and Technical Provisions; Property Tax	Article 12: Department of Revenue 2015-2016 Policy and Technical Provisions; Property Tax
1	Income-producing property assessment data classification.	Section 1. Same.
2	Definition of air commerce.	Section 2. Same.
3	Definition of flight property.	Section 3. Same.
4	Definition of person.	Section 4. Same.
5	Definition of intermittent or irregularly timed flights.	Section 5. Same.
6	Assessment of flight property.	Section 6. Same.
7	Airline flight property tax reports.	Section 7. Same.
8	Commissioner may file reports for airlines.	Section 8. Same.
9	State Board of Equalization (board) reassessment orders.	Section 9. Same.
10	County board of appeal and equalization proceedings minutes.	Section 10. Same.
11	Personal property; pipeline companies.	Section 11. Same.
12	Wind energy conversion systems.	Section 12. Same.
13	Wind energy production tax reports.	Section 13. Same.
14	Division of duties between local and county auditor.	Section 14. Same.
15	Division of duties between local and county assessor.	Section 15. Same.
16	Valuation notice compliance.	Section 16. Same.
17	Personal property; listing and assessment in county.	Section 17. Same.
18	Personal property; listing and assessment in county.	Section 18. Same.
19	Personal property; listing and assessment in county.	Section 19. Same.
	No comparable provision.	Section 20. Utility and railroad valuation appeals. Requires that an appeal of market value on state-assessed railroad or utility property must be brought against both the commissioner of revenue and the county or taxing district in which the property is located. Clarifies that service must be made on the commissioner only. Effective for appeals starting in assessment year 2018.
20	State assessed property tax appeals.	Section 21. Same.
21	Railroad and utility company appeals.	Section 22. Same.
22	Settlement of appeals.	Section 23. Same.
23	Administrative appeal and appeal to tax court.	Section 24. Same.
24	Equalization of public utility structures.	Section 25. Same.
25	Local boards of appeal and equalization.	Section 26. Same.
26	County board of appeal and equalization valuation.	Section 27. Same.

Sec.	Article 18: Department of Revenue 2015-2016 Policy and Technical Provisions; Property Tax	Article 12: Department of Revenue 2015-2016 Policy and Technical Provisions; Property Tax
27	County board of appeal and equalization certification.	Section 28. Same.
28	Public meeting announcement.	Section 29. Same.
29	Property tax levy reports.	Section 30. Same.
30	State assessed property tax appeals.	Section 31. Same.
31	Conveyances to public entities.	Section 32. Same.
32	Conditional use deed.	Section 33. Same.
33	City email address.	Section 34. Same.
34	Aquatic invasive species prevention aid.	Section 35. Same.
35	Aquatic invasive species prevention guidelines.	Section 36. Same.
36	Tax-forfeited property contracts for deed.	Section 37. Same.
37	Repealer; property tax exemption for public utility project.	Section 38. Same.
38	Repealer.	Section 39. Same.

Sec.	Article 19: Department of Revenue 2015-2016 Policy and Technical Provisions; Miscellaneous	Article 13: Department of Revenue 2015-2016 Policy and Technical Provisions; Miscellaneous
1	Annual railroad returns.	Section 1. Same.
2	Revenue recapture; income floors on medical debts; definition of debtor.	Section 2. Same.
3	Data disclosure to commissioner of human services.	Section 3. Same.
4	Commissioner's authority; manner of returns.	Section 4. Same.
5	Prohibition against collection.	Section 5. Same.
6	Sufficiency of notice.	Section 6. Same.
7	Time for filing; request for abatement of penalty or additional tax.	Section 7. Same.
8	Notice date; definition.	Section 8. Same.
9	Administrative appeal.	Section 9. Same.
10	Sufficient notice.	Section 10. Same.
11	Tax preparer administrative penalty; statute of limitation.	Section 11. Same.
12	Publication of names of tax preparers subject to penalty.	Section 12. Same.
13	Individual tax identification number.	Section 13. Same.
14	Tax court appeals; period of time to appeal.	Section 14. Same.
15	Period of time to appeal orders of assessment.	Section 15. Same.
16	Application for exemption for personal property used for pollution control.	Section 16. Same.
17	Application for market value exclusion for electric power generation efficiency.	Section 17. Same.
18	Statement of exemption for personal property.	Section 18. Same.
19	Annual wind energy reports.	Section 19. Same.
20	Annual solar energy reports.	Section 20. Same.
21	Certificate of value.	Section 21. Same.
22	Homestead application.	Section 22. Same.
23	Annual utility company reports.	Section 23. Same.
24	Deed tax on school forest.	Section 24. Same.
25	Income tax returns.	Section 25. Same.
26	Withholding tax returns.	Section 26. Same.
27	Sales and use tax returns.	Section 27. Same.
28	Partnership return due date.	Section 28. Same.
29	<p>Erroneous refund statute of limitations. Define an "erroneous refund" and clarifies that DOR has 3.5 years from the due date of the return to assess tax under a claim filed by a taxpayer, not two years after issuing a refund. This effectively reverses the Minnesota Supreme Court decision in <i>Connexus Energy v. Commissioner of Revenue</i>, 868 N.W.2d 234 (Minn. 2015).</p> <p>Effective for refunds issued after the day following final enactment. The changes do not invalidate any assessments made before the effective date.</p>	Section 29. Same, except Senate provision is effective July 1, 2017, and is silent on any effect on assessments.

Sec.	Article 19: Department of Revenue 2015-2016 Policy and Technical Provisions; Miscellaneous	Article 13: Department of Revenue 2015-2016 Policy and Technical Provisions; Miscellaneous
30	Denial of refund claims; period of time to appeal.	Section 30. Same.
31	Senior citizens’ property tax deferral; forms.	Section 31. Same.
32	Exempt property of educational institutions; forms.	Section 32. Same.
33	Gross receipts taxes; forms.	Section 33. Same.
34	Petroleum and other fuels taxes; forms.	Section 34. Same.
35	Time for filing; request for abatement of penalty under petroleum tax.	Section 35. Same.
36	Tax court appeals; petroleum tax.	Section 36. Same.
37	Controlled substance tax; forms.	Section 37. Same.
38	Gambling taxes; forms.	Section 38. Same.
39	Gambling taxes; manufacturers’ reports.	Section 39. Same.
40	Gambling taxes; distributors’ reports.	Section 40. Same.
41	Gambling taxes; organization reports.	Section 41. Same.
42	Cigarette and tobacco taxes; monthly returns.	Section 42. Same.
43	Tax court appeals; cigarette and tobacco tax.	Section 43. Same.
44	Liquor taxes; monthly returns.	Section 44. Same.
45	Tax court appeals; liquor tax.	Section 45. Same.
46	Insurance taxes; forms.	Section 46. Same.
47	Denial of refund claims; insurance taxes; period of time to appeal.	Section 47. Same.
48	JOBZ repayment waiver; time for requesting.	Section 48. Same.
49	Effective date.	Section 49. Same.

Sec.	Article 20: Department of Revenue 2015-2016 Sustainable Forest Incentive Act Provisions	Article 15: Department of Revenue 2015-2016 Sustainable Forest Incentive Act Provisions
1	Eligibility requirements.	Section 1. Same.
2	Verification of forest management plan.	Section 2. Same.
3	Repealer.	Section 3. Same.

Sec.	Article 21: Department of Revenue Individual Income, Corporate Franchise, and Estate Tax Technical Provisions	Article 16: Department of Revenue Individual Income, Corporate Franchise, and Estate Tax Technical Provisions
1	Subtraction for military retirement pay.	Section 1. Same.
2	Household income; homestead credit refund and renter property tax refund.	Section 2. Same.
3	Property tax refunds; proof of taxes paid.	Section 3. Same.
4	Federal estate tax credit.	Section 4. Same.
5	Repealer.	Section 5. Same.

Sec.	Article 22: Department of Revenue Property Tax and Local Government Aid Technical Provisions	Article 18: Department 2017 Policy and Technical Provisions: Property Tax and Local Government Aid
1	Flight property.	Section 2. Same.
2	Property tax administrator certifications. Provides that DOR certifications of assessors expire after four years. Effective the day following final enactment.	Section 8. Same; in addition Senate bill authorizes the commissioner of revenue to require one employee of each county and city performing property tax administration function to take training to promote uniformity and equitable implementation of the property tax laws.
3	Taconite homestead credit.	Section 11. Same.
4	Annexation requirements.	Section 14. Same.
5	Population data; county program aid.	Section 15. Same.
6	Town Aid.	Section 16. Same.

Sec.	Article 23: Department 2017 Technical Provisions: Sales and Use and Special Taxes	Article 17: Department 2017 Policy and Technical Provisions: Sales and Use and Special Taxes
1	Local taxes.	Section 6. Same.
2	Occupation tax apportionment; other ores.	Section 10. Same.
3	Occupation tax; iron ore and taconite.	Section 11. Same.
4	Production tax.	Section 12. Same.
5	Production tax distribution.	Section 13. Same.
6	Production tax distribution.	Section 14. Same.

Sec.	Article 24: Department 2017 Policy Provisions: Property tax and Local Government Aids	Article 18: Department 2017 Policy and Technical Provisions: Property tax and Local Government Aids
1	Flight property apportionment.	Section 1. Same.
2	Statement of exemption.	Section 3. Same.
3	Solar energy production tax reports.	Section 4. Same.
4	Certificate of real estate value threshold.	Section 5. Same.
5	Certificate of real estate value; paper copies.	Section 6. Same.
6	Certificate of real estate value; paper copies.	Section 7. Same.
7	Homestead application.	Section 9. Same.
8	Homestead data.	Section 10. Same.
9	Proof of compliance; local boards.	Section 12. Same.
10	Proof of compliance; county boards.	Section 13. Same.
11	Repealer.	Section 17. Same.

Sec.	Article 25: Department of Revenue Sales and Use, and Special Taxes Policy Provisions	Article 17: Department Policy and Technical Provisions: Sales and Use, and Special Taxes
1	Use tax on snowmobiles.	Section 1. Same.
2	Use tax on all-terrain vehicles (ATVs).	Section 2. Same.
3	Use tax on watercraft.	Section 3. Same.
	No comparable provision.	Section 4. Electronic waste registration fee. Clarifies that the annual electronic waste registration fee for manufacturers that sold fewer than 100 video display devices during the prior year is a variable fee based on the amount by which the manufacturer failed to meet its recycling obligation. Effective for registration fees due after June 30, 2017.
4	Disclosure to Department of Natural Resources (DNR).	Section 5. Same.
5	Disclosure to Department of Transportation.	Section 6. Same.
6	Purchaser refunds.	Section 7. Same.
7	Aviation gasoline. Defines aviation gasoline as gasoline used in airplanes. Aviation gasoline specifically includes gasoline sold as “aviation gasoline” that meets American Society for Testing and Materials (ASTM) standards as appropriate for use in airplanes. Effective the day following final enactment.	Article 8, section 3. Contains same provision in addition to other changes.
8	Agreements related to sales and use tax on snowmobiles, ATVs and watercraft.	Section 8. Same.
9	Motor vehicle sales tax presumption. Provides that when a foreign business entity purchases a motor vehicle that is under the control of a Minnesota resident, the Minnesota resident is presumed the owner for sales tax purposes if two or more of six listed factors are met. The Minnesota resident is considered to be “in control” of the vehicle if the resident is a partner, member or shareholder of the foreign business entity, is insured to drive the vehicle, and operates or stores the vehicle in Minnesota for any period of time. Effective the day following final enactment.	No comparable provision.
10	Returns; firefighter relief surcharge.	Section 9. Same.
	No comparable provisions.	Sections 15 and 16. Local lodging taxes. Clarify that all local lodging taxes, whether collected by the local government or the state, imposed under the general law authorization or under a special law, apply to the total consideration paid to obtain access to lodging, including ancillary or related services such as services provided by accommodations intermediaries (as defined in general sales and use tax), and similar services. Effective the day following final enactment, and states that the legislature confirms its intent that Minnesota Statutes, section 469.190, its predecessor provisions, and any special laws authorizing lodging taxes, were and are intended to apply to the total consideration paid to access lodging.

Sec.	Article 25: Department of Revenue Sales and Use, and Special Taxes Policy Provisions	Article 17: Department Policy and Technical Provisions: Sales and Use, and Special Taxes
		<p>Additionally provides that if the local lodging tax is not collected by the Department of Revenue, then the local government may by ordinance limit the filing and remittance of a tax by an accommodations intermediary to once a calendar year. The local government must inform the accommodations intermediary of the due date of the return and remittance, which must be the same as the due date for general sales tax, and provide the intermediary with geographic and zip code information necessary to correctly collect the tax.</p> <p>Effective the day following final enactment.</p>
11	Repealer.	Article 8, section 20. Same.

Sec.	Article 26: Department of Revenue Paid Preparer Policy Provisions	Article 19: Department of Revenue Paid Preparer Policy Provisions
1	Definitions. Applies the definitions in section 270C.445, which relates to tax preparation services, continue to apply to refund anticipation loans, and refund anticipation checks, which under the Revisor’s instruction in section 21 are recodified from section 270C.445 to the new section 270C.4451, and to injunction actions under section 270C.447. Under current law, section 270C.447 contains its own definition of tax preparer which section 22 repeals. The result is to consolidate definitions related to preparers in this section. Expands the definition of preparers from those who prepare individual income tax returns to include those who prepare any kind of tax return required to be filed with the commissioner of revenue, as well as claims for refunds, claims for homestead credit state refunds or renter property tax refunds, and the credit for military service in a combat zone. Clarifies that certified service providers, third-party bulk filers, and persons copying or providing other mechanical assistance are not preparers.	Section 1. Same.
2	Tax preparers; standards of conduct. Adds the following prohibitions to the standards of conduct for tax preparers: <ul style="list-style-type: none">• Failing to provide the preparer’s identification number on the return if otherwise required under state or federal law.• Reporting household income on homestead credit state refund or renter property tax refund returns that the preparer knows or should know is inaccurate.• Engaging in conduct subject to civil penalty.• Failing to conform to the standards of conduct for preparers in administrative rules.• Engaging in incompetent or disreputable conduct as provided in administrative rules.	Section 2. Same.
3	Nongame wildlife checkoff. Changes a reference from “form” to “claim” to be consistent with definitions in section 1.	Section 3. Same.
4	Penalty; administrative order.	Section 4. Same.
5	Exchange of data; State Board of Accountancy.	Section 5. Same.
6	Exchange of data; Lawyers Board of Professional Responsibility.	Section 6. Same.
7	Exchange of data; commissioner of revenue.	Section 7. Same.
8	Enforcement; civil actions.	Section 8. Same.
9	Exemptions; enforcement provisions.	Section 9. Same.
10	Powers additional.	Section 10. Same.
11	Publication of list of tax preparers subject to penalties.	Section 11. Same.
12	Notice to tax preparer.	Section 12. Same.
13	Form of list.	Section 13. Same.
14	Removal from list.	Section 14. Same.

Sec.	Article 26: Department of Revenue Paid Preparer Policy Provisions	Article 19: Department of Revenue Paid Preparer Policy Provisions
15	Civil action.	Section 15. Same.
16	Injunction prohibiting specific conduct.	Section 16. Same.
17	Injunction prohibiting business activities.	Section 17. Same.
18	Enforcement of cease and desist orders.	Section 18. Same.
19	Tax preparers; civil penalties.	Section 19. Same.
20	Preparer identification number.	Section 20. Same.
21	Revisor instruction.	Section 21. Same.
22	Repealer.	Section 22. Same.

Sec.	S.F. 1937 (Second unofficial engrossment)	Article 9: Iron Range Resources and Rehabilitation Board
	Article 4, section 4. Department of Iron Range Resources and Rehabilitation. Allows the commissioner, after consulting the commission, to purchase insurance for facilities.	Section 1. Iron Range resources and rehabilitation; insurance. Similar. Provides that after seeking a recommendation from the IRRRB the commissioner may purchase insurance the commissioner deems necessary and appropriate to insure facilities operated by the board.
	Article 4, section 9. Use of fund. Provides for a technical change to correct the name of the tax relief area.	Section. 2. Iron Range resources and rehabilitation; contribution. Provides that the commissioner, after consultation with the IRRRB, has the sole discretion to decide match requirements under the Minnesota 21 st Century Fund.
	Article 4, section 10. Iron Range Resources and Rehabilitation Board contribution. Applies the standard budget process under section 25 (proposal by commissioner, consultation with commission, approval by governor) to matching loans or investments from the Minnesota 21st century fund.	Section 3. Iron Range resources and rehabilitation board contribution. Similar. Clarifies that the commissioner of resources and rehabilitation and not the board have the sole discretion to decide that interest the board acquires in a project by the Minnesota 21 st century fund.
	Article 4, section 14. Definitions. Conforming change, “board” becomes “commissioner.”	Section 4. Definitions. Similar. Amends the definition of ‘Authority’ under the Public Utilities chapter to clarify that ‘authority’ also means the commissioner of Iron Range resources and rehabilitation, acting after consulting with the IRRRB.
	Article 4, section 16. Municipality. Requires the commissioner to consult the commission before jointly determining with the commissioner of revenue which municipalities can participate in the tax base sharing program.	Section 5. Municipality. Similar. Provides that the commissioner of Iron Range resources and rehabilitation, after seeking a recommendation from the IRRRB, shall, with the commissioner of revenue, make an annual determination concerning the eligibility of a municipality in the Iron Range fiscal disparities program.
	Article 4, section 17. School fund allocation. Requires the commissioner to consult the commission before certifying the areawide levy or that there are insufficient funds to make payments.	Section 6. Similar. School fund allocation. Similar. Clarifies that the ‘school fund allocation’ under the Iron Range fiscal disparities program shall be an amount certified by the commissioner of Iron Range resources and rehabilitation, after seeing a recommendation from the IRRRB.
	Article 4, section 19. Development. Requires the commissioner to consult the commission before assisting a county in development of forest resources.	Section 7. Development; forest development. Similar. Provides that the commissioner of resources and rehabilitation, after seeking a recommendation from the IRRRB, may assist a county, upon their request, in carrying out any project for the long range development of its forest resources through matching funds or otherwise.
	Article 4, section 21. Commissioner. Defines “commissioner” as the commissioner of Iron Range resources and rehabilitation for the relevant statutory sections.	Section 8. Commissioner; definition. Same. Clarifies when ‘commissioner’ means the commissioner of revenue or the commissioner of Iron Range resources and rehabilitation.
	Article 4, section 25. Department of Iron Range Resources and Rehabilitation. Requires the standard budget process for all transfers and expenditures from the following funds and accounts: <ul style="list-style-type: none">the taconite area environmental protection fundthe Douglas J. Johnson economic protection trust fundthe Iron Range resources and rehabilitation account in the special revenue fund	Section 9. Office of the commissioner of Iron Range resources and rehabilitation. Clarifies that the commissioner of Iron Range resources and rehabilitation may expend amounts appropriated to the commissioner for projects after first submitting the expenditure to the IRRRB for a recommendation.

Sec.	S.F. 1937 (Second unofficial engrossment)	Article 9: Iron Range Resources and Rehabilitation Board
	<ul style="list-style-type: none"> the Iron Range schools consolidation and cooperatively operated schools account the Minnesota 21st century fund (match purposes); and the Iron Range higher education account. <p>Provides a list of items exempted from the standard budget process, including issues related to bond and debt obligations, expenses related to binding contracts, and formula driven allocations of taxes certified by the commissioner of revenue to cities, counties, school districts, towns, the taconite economic development fund, and for property tax relief. Deletes obsolete language about arbitrator awards.</p>	
	<p>Article 4, section 26. Legislative Commission on Iron Range Resources and Rehabilitation. Replaces the current board with a new legislative commission consisting of the same nine legislator members as the current board. The members of the commission will elect a chair who will convene meetings as often as necessary to conduct the business of the commission, but at least quarterly.</p>	<p>Section 10. Iron Range Resources and Rehabilitation Board. Provides that all expenditures and projects made by the commissioner of Iron Range resources and rehabilitation shall first be submitted to the IRRRB who shall recommend approval, disapproval or modification of the expenditures and projects.</p>
	<p>Article 4, section 31. Forest trust. Authorizes the commissioner, after consulting the commission, to buy and sell forest lands if any required funds are approved through the standard budget process. Money from such sales goes into a special account also subject to the standard budget process.</p>	<p>Section 11. Forest trust. Similar. Clarifies that the commissioner, after requesting a recommendation from the IRRRB, may purchase and sell forest land in the taconite assistance area. Proceeds derived from the sale may be expended after the commissioner has sought a recommendation from the IRRRB.</p>
	<p>Article 4, section 32. Private entity participation. Authorizes the commissioner, after consultation with the commission, to decide whether the fund will take an equity interest in exchange for money approved through the standard budget process and can set up and manage entities associated with the project.</p>	<p>Section 12. Private entity participation. Similar. Provides that the commissioner of Iron Range resources and rehabilitation, after seeking a recommendation from the IRRRB, may acquire an equity interest in any project for which the commissioner provides funding.</p>
	<p>Article 4, section 33. Sale or privatization of functions. Forbids the commissioner to sell or privatize the Ironworld Discovery Center or Giants Ridge without first consulting the commission.</p>	<p>Section 13. Sale or privatization of functions. States that the commissioner of Iron Range resources and rehabilitation may not sell or privatize the Minnesota Discovery Center or Giants Ridge Golf and Ski Resort without prior approval by the board.</p>
	<p>Article 4, section 34. Budgeting. Codifies the standard budget process under section 25 (proposal by commissioner, consultation with commission, approval by governor), both for the required annual budget and any supplemental budgets necessary to respond to unanticipated needs.</p>	<p>Section 14. Budgeting. Provides that the commissioner of Iron Range resources and rehabilitation shall submit its annual budget to the IRRRB for a recommendation.</p>
	<p>Article 4, section 38. Receipts from contracts; appropriation. Conforming changes, “board” removed from name of account, in other places becomes “commissioner” or “commission,” requirement of board approval deleted.</p>	<p>Section 15. Receipts from contracts; appropriation. Similar. Provides that all funds deposited into the IRRRB board account from fees or other sources of revenue from the public use of the Giants Ridge Recreation Area may be expended by the commissioner of Iron Range resources and rehabilitation after seeking a recommendation from the IRRRB.</p>
	<p>Article 4, section 39. Project approval. Applies the standard budget process under section 25 to spending by the commissioner generally.</p>	<p>Section 16. Project approval. Similar. Clarifies that certain projects, including tax increment financing projects, shall be submitted by the</p>

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		commissioner of Iron Range resources and rehabilitation to the IRRRB for a recommendation.
	Article 4, section 43. Taconite area environmental protection fund. Applies the standard budget process under section 25 to spending from the taconite area environmental protection fund.	Section 17. Taconite area environmental protection fund; creation, purpose. Similar. Clarifies that any local development project funded with money from the Fund must first be approved by the commissioner of Iron Range resources and rehabilitation after seeking a recommendation from the IRRRB.
	Article 4, section 43. Taconite area environmental protection fund. Applies the standard budget process under section 25 to spending from the taconite area environmental protection fund. Deletes the requirement that half of the funds be spent on public works projects.	Section 18. Taconite area environmental protection fund; administration. Similar. Provides that the commissioner of Iron Range resources and rehabilitation may waive certain requirements of the fund and may submit projects for consideration to the governor, after seeking a recommendation from the IRRRB.
	Article 4, section 44. Taconite economic development fund. Applies the standard budget process under section 25 to spending from the taconite economic development fund. Deletes language that will become obsolete on May 26, 2017. Removes language about special funding allowances tied to production in 2007.	Section 19. Taconite economic development fund. Similar. Clarifies that the commissioner of Iron Range resources and rehabilitation must seek a recommendation from the IRRRB concerning proposed expenditures, or transfers from the fund.
	Article 4, section 47. Iron Range school consolidation and cooperatively operated school account. Applies the standard budget process under section 25 to spending from the Iron Range school consolidation and cooperatively operated school account. Note, however, that under section 25, expenditures required to pay bonds entered into prior to the effective date for this bill are specifically exempt from the standard budget process.	Section 20. Iron Range school consolidation and cooperatively operated school fund. Similar. Provides that expenditures from the fund must be approved by the commissioner of Iron Range resources and rehabilitation after seeking review of the expenditure by the IRRRB.
	Article 4, section 49. Iron Range higher education account. Allocates funds directly to the Iron Range higher education account. Applies the standard budget process under section 25 to spending from the Iron Range higher education account. Approval from the Iron Range Higher Education Committee is also still required.	Section 21. Iron Range higher education account. Similar. Clarifies that the commissioner of Iron Range resources and rehabilitation must approve all expenditures from the account, after seeking review and recommendation of the expenditures from the IRRRB.
	Article 4, section 51. Use of money. Requires consultation with the commission in order to buy or sell forest land, as in section 31.	Section 22. Douglas J. Johnson economic protection trust fund; use of money. Similar. Provides that forest land in the taconite assistance area may be sold by the commissioner of Iron Range resources and rehabilitation after seeking a recommendation from the IRRRB.
	Article 4, section 52. Applies the standard budget process under section 25 to spending from the Douglas J. Johnson economic protection trust fund.	Section 23. Douglas J. Johnson economic protection trust fund; project approval. Similar. Clarifies approval requirements for projects funded by the DJJ trust fund. The commissioner of Iron Range resources and rehabilitation must seek review and a recommendation from the IRRRB.
	Article 4, section 52. Operation of fund. Applies the standard budget process under section 25 to spending from the Douglas J. Johnson economic protection trust fund.	Section 24. Douglas J. Johnson economic protection trust fund; expenditure of funds. Similar. Clarifies the expenditure of funds from the DJJ trust fund by the commissioner of Iron Range resources and rehabilitation, after seeking a recommendation by the IRRRB.
	Article 4, section 52. Operation of fund. Applies the standard budget process under section 25 to	Section 25. Douglas J. Johnson economic protection trust fund; temporary loan authority. Provides that the commissioner of Iron Range resources and rehabilitation may use money from

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	spending from the Douglas J. Johnson economic protection trust fund.	the fund to provide loans and grants, after seeking a recommendation from the IRRRB.
	Article 4, section 53. Producer grants. Applies the standard budget process under section 25 to spending from the special producer grant account.	Section 26. Douglas J. Johnson economic protection trust fund; project approval. Similar. Clarifies that the commissioner must seek approval of the IRRRB before proposing certain projects.
	Article 4, section 53. Producer grants. Applies the standard budget process under section 25 to spending from the special producer grant account.	Section 27. Douglas J. Johnson economic protection trust fund; grant and loan fund. Similar. Clarifies the approval procedure before making any grant or loans.
	Article 4, section 55. Unmined iron ore; valuation petition. Requires consultation with commission before commissioner grants authority to petition.	Section 28. Unmined iron ore; valuation petition. Similar. Clarifies that taxing districts may petition the commissioner of Iron Range resources and rehabilitation for authority to petition the county to verify the existence of any unmined ore within its jurisdiction. The commissioner may grant the petition after seeking a recommendation from the IRRRB.
	No comparable provision	Section 29. Iron Range Resources and Rehabilitation Board; early separation incentive program authorization. Permits the commissioner of Iron Range resources and rehabilitation to offer early separation incentives to employees over 60 years old or who have accumulated 30 years of service. The commissioner is also authorized to offer a targeted separation incentive program for employees at Giants Ridge who will be eliminated if the IRRRB ceases to manage Giants Ridge. The incentives must be paid out of money available to the commissioner, after seeking a recommendation from the IRRRB. This section is repealed July 30, 2019.
	Article 4, section 62. Revisor's instruction. Instructs the revisor to prepare legislation that makes conforming changes in accordance with this act.	Section 30. Revisor's instruction. Similar. Instructs the revisor of statutes to identify and propose changes to Minnesota Statutes and Minnesota Rules that are consistent with the goals of this act to: (i) transfer discretionary approval authority for all expenditures and projects from the IRRRB to the commissioner; and (ii) provide that the commissioner must, in good faith, seek the review and recommendations of the IRRRB before exercising approval authority. The revisor shall submit its proposal for introduction during the 2018 regular legislative session.
	Article 4, section 63. Repealer. Repeals sections that: (1) gave special funding priority to areas affected by the LTV Steel Mining Company closure in 2000 and 2001; (2) created the Northeast Minnesota economic development fund in 1987; this fund has been empty and unused for many years; and (3) required a long-range plan for the board to be presented to the legislature by 2006.	Section 31. Repealer. Similar. Repeals sections 298.22, subdivision 8 (spending authority); 298.2213, subdivisions 4, 5, and 6 (sections of Northeast Minnesota economic development fund); and 298.298 (long-range plan).