

Bill Comparison Summary of House File 5247, Third Engrossment / House File 5247, First Unofficial Engrossment

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Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 1: Individual Income and Corporate Franchise Taxes	SENATE Article 1: Income and Corporate Franchise Taxes
1	<p>Data privacy related to electronic reporting system. Permits the Campaign Finance and Public Disclosure Board to access data entered by campaign treasurers into the electronic reporting system provided by the board, for the purpose of administering the political contribution refund program. Any data accessed, used, or maintained by the board based on this authority is classified as private data.</p> <p>Effective January 1, 2026.</p>	<p>Section 1. Similar. Inconsequential wording differences in paragraph (b), clause (2).</p> <p>Substantive difference in last sentence of paragraph (b). Senate classifies data accessed, used, or maintained by the board as nonpublic data and private data on individuals. House references private data on individuals.</p> <p>Same effective date.</p>
2	<p>Refund receipt forms; penalty. Requires the Campaign Finance and Public Disclosure Board to provide electronic receipts, rather than paper receipts, to political parties and candidates eligible to participate in the political contribution refund program.</p> <p>At least once a week, the board is required to provide a receipt validation report to the commissioner of revenue.</p> <p>A receipt validation report and a receipt validation number are private data on individuals.</p> <p>Effective for contributions made on or after December 31, 2025.</p>	<p>Section 2. Similar. Inconsequential wording differences on 3.4 and 3.11 of House bill and 3.1 and 3.8-3.9 of Senate bill.</p> <p>Substantive differences. House classifies data as private data on individuals on 4.1-4.2. Senate classifies data as nonpublic data and private data on individuals on 3.30-3.31.</p> <p>Same effective date.</p>
3	<p>Authority; duties. (Beginning farmer credit) Modifies the annual set-aside expiration dates that apply to the state’s beginning farmer income tax credit, from October 1 to June 1. The set-aside requires 50 percent of new credits to be allocated for sales and rentals to emerging farmers by that date, after which time credit allocations are generally available.</p> <p>Effective for taxable years in 2024 and thereafter.</p>	<p>No comparable provision.</p>
4	<p>Disclosure of certain corporate franchise tax information. Requires public disclosure of a corporate franchise tax return for corporations having over \$250,000,000 in gross domestic sales, within two to three years of the end of the corporation’s taxable year.</p> <p>Effective beginning in 2025.</p>	<p>No comparable provision.</p>
5	<p>Generally; individuals. (Child credit requirement to file a return) Requires taxpayers who elected to receive an advance child credit payment to file an income tax return for the taxable year.</p> <p>Effective for tax year 2025 and later.</p>	<p>Section 3. Same.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 1: Individual Income and Corporate Franchise Taxes	SENATE Article 1: Income and Corporate Franchise Taxes
	No comparable provision.	<p>Section 5. Education expenses. Updates a cross-reference to the definition of “tuition and fees,” which is amended in section 12. Effective beginning in tax year 2024.</p>
	No comparable provision.	<p>Section 6. Foreign service pension; retirement pay. Provides a subtraction for the amount of foreign service pension or retirement compensation received. Effective beginning in tax year 2024.</p>
6	<p>Direct free filing of individual returns. Requires the Department of Revenue (DOR) to establish an electronic filing system through which taxpayers can file individual income tax returns free of charge. Permits DOR to contract with software vendors for the system, but disallows the contractor selected from offering paid tax preparation services for the Minnesota individual income tax for the tax years the system is active. Requires the system to be made available on DOR’s website. Requires DOR to coordinate the state direct file system with federal direct free filing systems. For tax year 2025, requires the system developed include a sufficient number of tax forms that the commissioner estimates 70 percent of resident individual income tax returns could be filed using the system. Effective the day following final enactment.</p>	No comparable provision.
7	<p>Discharges of indebtedness; coerced debt. Allows an income tax subtraction for coerced debts that are discharged. Effective for tax year 2024 and later.</p>	<p>Section 7. Similar. House provides that the subtraction is the amount awarded to a “claimant.” Senate provides that the subtraction is the amount awarded to a “debtor.” Same effective date.</p>
8	<p>Refund of contributions to political parties and candidates. Amends the law governing the processing of political refund contribution claims, to reflect the electronic filing system. Among the changes, the commissioner is prohibited from issuing a refund to a taxpayer if the refund exceeds the maximum refund amount permitted by law. Refund claims must be submitted using the electronic filing system and must reflect a minimum \$10 claim amount. Effective for contributions made after December 31, 2025.</p>	<p>Section 8. Same.</p>

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Section	HOUSE Article 1: Individual Income and Corporate Franchise Taxes	SENATE Article 1: Income and Corporate Franchise Taxes
9	<p>Definitions. (Child credit eligible child changes) Amends the definition of “qualifying child” for the Minnesota child credit to allow 18 year-olds to receive the credit for young children.</p> <p>Effective for tax year 2024 and later.</p>	No comparable provision.
	No comparable provision.	<p>Section 9. Inflation adjustment. Requires the commissioner to annually adjust the income limitations for the minimum child tax credit in section 11.</p> <p>Effective beginning in tax year 2026.</p>
10	<p>Advance payment of credits. (Child credit) Requires DOR to offer advance payments of the child credit.</p> <p>Effective for tax year 2025 and later.</p>	Section 10. Same.
11	<p>Minimum credit. (Child credit) Provides a “minimum credit” amount to taxpayers who elected to receive the child credit advance payment and whose incomes were low enough to receive the credit in the previous taxable year. The minimum credit would equal 50 percent of the taxpayer’s credit in the previous year. If the number of the taxpayer’s qualifying children decreased from year to year, the minimum credit amount would decrease proportionally based on the percentage of the taxpayer’s qualifying children that remain.</p> <p>Effective for tax year 2025 and later.</p>	<p>Section 11. Different. Also requires that taxpayers must have received advance payments in the previous taxable year.</p> <p>Senate applies income limitations to receive the minimum credit. The taxpayer’s AGI in the current tax year must be equal to or less than \$60,100 for married joint filers with one qualifying child, or \$49,570 for all other filers with one qualifying child. The income limits are increased by \$9,000 for each qualifying child.</p> <p>Minimum credit calculation is the same.</p> <p>See House section 21 for comparison of establishment of minimum child tax credit account and transfers to the account.</p> <p>Effective for tax years 2025 to 2028.</p>
12	<p>Definitions. (Qualifying older child) Excludes 18 year-olds from the definition of “qualifying older child” in the working family credit. The bill adds 18 year-olds to the definition of “qualifying child” for the Minnesota child credit.</p> <p>Effective for tax year 2024 and later.</p>	No comparable provision.
	No comparable provision.	<p>Section 12. Definitions. (K-12 credit) Establishes a new definition for “career and technical education program.” Expands the expenses eligible for the K-12 credit to include expenses for a qualifying child participating in a career and technical education program to include:</p> <ul style="list-style-type: none"> ▪ amounts paid to others for transportation outside of regular school hours that is

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		<p>directly related to participation in a career and technical education program;</p> <ul style="list-style-type: none"> ▪ expenses for participation in a student organization if participation in the organization is a requirement of the career and technical education program; and ▪ expenses for equipment not otherwise eligible for the credit that is required for participation in a career and technical education program. <p>Effective beginning in tax year 2024.</p>
13	<p>Allocation. (Housing tax credit) Allows any unused portion of the \$9,900,000 allocation to the Minnesota housing credit for tax year 2023 to be added to the total allocation available in tax year 2024.</p> <p>Effective for tax years in 2023 and thereafter.</p>	No comparable provision.
	No comparable provision.	<p>Section 13. Credit for attaining a master’s degree in teacher’s licensure field. Adds a master’s degree in special education, which may include pedagogy or a pedagogy component, to the programs for which expenses are eligible to claim the credit. “Special education” means a program of study directly related to licensure in developmental disabilities, early childhood special education, deaf and hard of hearing education, blind and visually impaired education, emotional or behavioral disorders, autism spectrum disorders, or learning disabilities. Clarifies that a qualified teacher eligible for the credit must hold a teaching license or receive a teaching license within six months of completion of the master’s degree program.</p> <p>Effective beginning in tax year 2024.</p>
	No comparable provision.	<p>Section 14. Aerospace and aviation credit. Provides a nonrefundable credit equal to 50 percent of the amount of tuition reimbursed by a qualified employer to a qualified employee in a tax year. The credit must not exceed 50 percent of the average annual amount paid by a qualified employee for enrollment and instruction in a qualified program. The credit may not be carried forward. Credits awarded to individual partners, members, shareholders, or owners of a pass-through entity are passed through on a pro rata basis or as specified in organizational documents or any other executed agreement as of the last day of the taxable year. Requires the commissioner to submit a written report to the chairs and ranking members of the Senate and House taxes committees, which must include information regarding the cost and effectiveness of the credits and may include</p>

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		<p>recommendations for changes necessary to implement the credit.</p> <p>Effective for tax years 2025 to 2033.</p>
	No comparable provision.	<p>Section 15. Definitions. (Renter’s credit)</p> <p>Creates a new definition of “combined exemption amount” for dependents for purposes of calculating the renter’s credit. This new definition is necessary because under current law, the definition of “income” for the renter’s credit includes exemption amounts. The definition of “income” is reorganized to exclude discharged coerced debt.</p> <p>Effective beginning in tax year 2024.</p>
	No comparable provision.	<p>Section 16. Definitions. (Short line railroad infrastructure modernization credit)</p> <p>Adds definitions of “credit certificate” and “transfer credit certificate” for purposes of the new certification and transfer provisions in section 17.</p> <p>Effective retroactively to tax year 2023.</p>
	No comparable provision.	<p>Section 17. Credit certificates; written agreement required; transferability. (Short line railroad credit)</p> <p>Modifies the process by which a credit certificate is issued and the credit transfer occurs so that an eligible taxpayer would apply to the commissioner of transportation for a credit certificate, who must issue the credit certificate within 30 days of receipt of the application and provide a copy of the credit certificate to the commissioner. The credit certificate must state the number of miles of qualified railroad reconstruction or replacement expenditures and the total amount of the credit calculated according to a formula under current law. The commissioner must not issue more than one credit certificate to an eligible taxpayer in a taxable year. Modifies the process by which an eligible taxpayer may transfer a credit to another taxpayer. The transfer must be made by written agreement, which must state the amount of credit stated in the credit certificate before the credit is claimed by the eligible taxpayer, or the entire amount of credit that is carried over in the five succeeding tax years. Requires the commissioner to issue a transfer credit certificate to a transferee and strikes language requiring the transferee to be liable for credits claimed in excess of the allowed amount.</p> <p>Effective retroactively to tax year 2023.</p>
	No comparable provision.	<p>Section 18. Definitions. (Alternative minimum tax)</p> <p>Adds a reference to the foreign service pension subtraction in section 6 to the calculation of alternative minimum tax.</p>

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Section	HOUSE Article 1: Individual Income and Corporate Franchise Taxes	SENATE Article 1: Income and Corporate Franchise Taxes
		Effective beginning in tax year 2024.
14	<p>Nonconformity to certain worker classification rules.</p> <p>Decouples the state from certain federal employment status decisions, for purposes of determining an employer’s obligations to collect state withholding tax from employees. Section 530 of Public Law 95-600 creates a safe harbor for employers that may not have properly classified employees, for purposes of determining the employer’s federal employment tax liability.</p> <p>Effective for taxable years in 2025 and thereafter.</p>	<p>Section 4. Internal Revenue Code.</p> <p>Similar. House codifies language in employee withholding provisions of income and corporate franchise tax chapter. Senate codifies language in the definition of “Internal Revenue Code” in the definitions section of the income and corporate franchise chapter.</p> <p>Same effective date.</p>
15	<p>Income. (Homestead credit refund)</p> <p>Excludes coerced debts from the income measure used to calculate the homestead credit refund.</p> <p>Effective for refunds based on property taxes paid in 2025 and later.</p>	Senate Article 2, section 9. Same.
16	<p>Corporate tax base erosion study.</p> <p>Requires DOR to produce a study on corporate tax base erosion and the options for the legislature in addressing erosion, including worldwide combined reporting. The study would cover common forms of tax avoidance, the research used to estimate the extent and impact of base erosion, the impact of global intangible low-taxed income on erosion, the production of revenue estimates in this area, the legal risks of various options to address base erosion, and the administrative issues that the state would need to address in pursuing a change in law in this area.</p> <p>Effective the day following final enactment (report is due January 1, 2025).</p>	No comparable provision.
	No comparable provision.	<p>Section 19. Shakopee area workforce development scholarships credit.</p> <p>Authorizes a refundable income tax credit equal to the amount of the employer’s scholarship awarded to an employer-sponsored applicant. Requires that credits awarded to pass-through entities are passed through on a pro rata basis to partners, members, shareholders, or owners according to their share of the entity’s assets or as specifically allocated in organizational documents.</p> <p>Effective for tax years 2024 to 2028.</p>
17	<p>Appropriation; political contribution refund electronic filing system.</p> <p>Appropriates \$147,000 in fiscal year 2025 to the commissioner of revenue to develop the electronic</p>	Section 20. Same.

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Section	HOUSE Article 1: Individual Income and Corporate Franchise Taxes	SENATE Article 1: Income and Corporate Franchise Taxes
	political contribution refund filing system. The base is \$59,000 in fiscal years 2026 and 2027.	
18	<p>Transfer; appropriation; direct filing system. Appropriates \$5,000,000 to the commissioner of revenue to implement the electronic direct file system required in the bill. The appropriation is onetime, and is available until June 30, 2027. The base for the appropriation is \$2,300,000 in fiscal year 2027 and later.</p> <p>Transfers \$5,000,000 from the tax filing modernization account in the special revenue fund to the general fund on July 1, 2025.</p>	No comparable provision.
19	<p>Appropriation; corporate franchise tax information disclosure. Appropriates \$480,000 to DOR in fiscal year 2025 to administer the corporate franchise tax return disclosure. For 2026 and 2027, the base for this appropriation would be \$198,000.</p>	No comparable provision.
20	<p>Appropriation; corporate tax base erosion study. Makes a onetime appropriation of \$655,000 to DOR for the corporate tax base erosion study.</p>	No comparable provision.
21	<p>Child tax credit account; transfer; appropriation Establishes an account in the special revenue fund and deposits \$32,300,000 in the account.</p> <p>Requires DOR to certify to Minnesota Management and Budget (MMB) in fiscal years 2026 and 2027 the total change in individual income tax liability: (1) from the child tax credit allowed under current law and the minimum child tax credit; and (2) from allowing 18 year-olds to be considered qualifying children for the credit.</p> <p>Transfers the amount certified from the account to the general fund in fiscal years 2026 and 2027.</p>	<p>Section 11. Similar. Senate establishes the minimum child tax credit account in the special revenue fund and deposits \$9,900,000 in the account.</p> <p>Senate requires the certification of clause (1) in fiscal years 2026 and 2027.</p> <p>Same.</p>
22	<p>Repealer. Repeals the tax filing modernization account in the special revenue fund, which was established in the 2023 tax act.</p> <p>Effective July 2, 2025.</p>	Same.

Section	HOUSE Article 2: Property Taxes and Local Government Aids	SENATE Article 2: Property Taxes and Local Government Aids
1	<p>Institutions of public charity. Requires charitable organizations use a property in furtherance of its charitable purpose to receive a</p>	No comparable provision.

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 2: Property Taxes and Local Government Aids	SENATE Article 2: Property Taxes and Local Government Aids
	<p>property tax exemption, and clarifies that use of a property solely for the provision of rental housing does not constitute furtherance of its charitable mission.</p> <p>Effective for taxes payable in 2025 and thereafter.</p>	
	<p>No comparable provision.</p>	<p>Section 1. Exempt property used by private entity for profit.</p> <p>Provides that exempt property owned by a nonprofit conservation organization that is leased, loaned, or otherwise made available to an individual, corporation, or association for grazing activities that further the nonprofit conservation organization’s conservation objectives for the property, remains exempt and a personal property tax is not imposed.</p> <p>Effective beginning with property taxes payable in 2025.</p>
2	<p>Property used to distribute electricity to farmers.</p> <p>Clarifies that, except for substations and transmission or generation equipment, utility cooperatives’ power distribution systems are exempt from property taxes.</p> <p>Effective for assessment year 2024 and thereafter.</p>	<p>Section 2. Same.</p>
3	<p>Certain property owned by an Indian Tribe.</p> <p>Exempts from property tax five parcels of land owned by the Grand Portage Band. The exemption does not apply if the use of the property changes.</p> <p>Effective beginning with assessment year 2025.</p>	<p>Section 3. Similar.</p> <p>Senate does not include reference to change in property use, and Senate limits exemption to not more than five parcels.</p>
4	<p>Certain property owned by an Indian Tribe.</p> <p>Provides a property tax exemption for property in Minneapolis owned by the Leech Lake Band of Ojibwe.</p> <p>Effective beginning with assessment year 2025.</p>	<p>Section 4. Similar.</p> <p>Senate references date of purchase by Tribe.</p>
5	<p>Class 1.</p> <p>Increases the classification tier thresholds for class 1c homestead resorts. The tier I limit is increased from \$600,000 to \$1,100,000. The tier II limit is increased from \$1,700,000 to \$2,600,000.</p> <p>Effective beginning with assessment year 2025.</p>	<p>No comparable provision.</p>
6	<p>Class 4.</p> <p>Removes the requirement that community land trust property receiving the 4d(2) property tax classification be valued based on the normal approach to valuation, without regard to any restrictions that apply because the property is a community land trust property.</p>	<p>No comparable provision.</p>

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Section	HOUSE Article 2: Property Taxes and Local Government Aids	SENATE Article 2: Property Taxes and Local Government Aids
	Effective beginning with assessment year 2024.	
	No comparable provision.	<p>Section 5. Requirement; class 4d(1). Clarifies that income-averaging is allowed for class 4d(1) low-income classification since income-averaging is allowed as a third set-aside for qualified low-income housing projects under section 42(g) of the Internal Revenue Code.</p> <p>Effective beginning with assessment year 2025.</p>
	No comparable provision.	<p>Section 6. Class 2; market farming. Expands the definition of ‘agricultural land’ to allow for market farming on property with less than 11 acres. Property with less than 11 acres with a residence is eligible if the contiguous acreage, exclusive of the house, garage, and surrounding one acre was used in the preceding year for market farming and: (1) the owner provides the assessor with a federal Schedule F for the most recent tax year which reports gross income of at least \$5,000; or (2) if the owner has not filed Form 1040, the owner provides the assessor with a farm financial plan prepared by a financial management program approved by the commissioner of agriculture that demonstrates a plan to earn \$5,000 annually in gross income in each of the next two years.</p> <p>Effective beginning with assessment year 2025.</p>
7	<p>Homestead of a veteran with a disability or family caregiver. Increases the homestead market value exclusion for veterans with a disability. The exclusion amount for veterans with a disability rating of at least 70 percent is increased from \$150,000 to \$200,000. The exclusion amount for veterans with a 100 percent total and permanent disability is increased from \$300,000 to \$400,000.</p> <p>Effective beginning with assessment year 2024.</p>	No comparable provision.
8	<p>Advance homestead credit for seniors. Establishes the advance homestead credit for seniors. Properties owned by an “eligible senior claimant” are eligible for the credit. The credit would be applied to the first half (May) property tax payment and would be equal to 50 percent of the homestead credit refund the property owner received in the previous year, except that the credit cannot reduce the first half payment below \$0. The commissioner of revenue would reimburse local taxing jurisdictions for the credit in the same manner that other property tax credits are reimbursed.</p> <p>Effective beginning with property taxes payable in 2026.</p>	No comparable provision.

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 2: Property Taxes and Local Government Aids	SENATE Article 2: Property Taxes and Local Government Aids
9	<p>Payment; school districts. Adds the advance homestead credit for seniors to the list of property tax credits for which school districts are reimbursed.</p> <p>Effective beginning July 1, 2026.</p>	No comparable provision.
10	<p>Computation of net property taxes. Adds the advance homestead credit for seniors to the computation of property taxes.</p> <p>Effective beginning with property taxes payable in 2026.</p>	No comparable provision.
11	<p>Percentage of assessments; exceptions. Clarifies that, except for substations and transmission or generation equipment, utility cooperatives' power distribution systems are exempt from property taxes.</p> <p>Effective for assessment year 2024 and thereafter.</p>	Section 7. Same
12	<p>Amount of tax; distribution. Clarifies that, except for substations and transmission or generation equipment, utility cooperatives' power distribution systems are exempt from property taxes.</p> <p>Effective for assessment year 2024 and thereafter.</p>	Section 8. Same.
13	<p>Notice of proposed property taxes. Adds the advance homestead credit for seniors to the proposed property tax statement that is sent out in the fall.</p> <p>Effective beginning with property taxes payable in 2026.</p>	No comparable provision.
14	<p>Contents of tax statements. Adds the advance homestead credit for seniors to the property tax statement.</p> <p>Effective beginning with property taxes payable in 2026.</p>	No comparable provision.
	House Article 1, section 15. Same.	<p>Section 9. Income. Provides that the amount of discharge of indebtedness resulting from coerced debt shall not be considered income for purposes of determining eligibility for the property tax refund program.</p> <p>Effective for property taxes payable in 2025 and thereafter.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 2: Property Taxes and Local Government Aids	SENATE Article 2: Property Taxes and Local Government Aids
15	<p>Generally; individuals. Establishes a filing requirement for taxpayers who receive an advance senior homestead credit refund.</p> <p>Effective for credits applied to property taxes payable in 2026 and later.</p>	No comparable provision.
16	<p>Property taxes payable. Specifies that the amount of property taxes payable used to calculate the homestead credit refund is not reduced by the amount of any advance payments of the refund.</p> <p>Effective beginning with property taxes payable in 2026.</p>	No comparable provision.
17	<p>Eligible senior claimant. Defines “eligible senior claimant” as a claimant who is 65 or older. In the case of a married claimant filing a joint claim, one spouse must be 62 and the other must be 65 to qualify as an eligible senior claimant.</p> <p>Effective for advance payment elections in 2025 and refunds based on property taxes payable in 2026.</p>	No comparable provision.
18	<p>Homestead credit refund. Defines “homestead credit refund” as the refund under section 290A.04, subdivision 2.</p> <p>Effective for advance payment elections in 2025 and refunds based on property taxes payable in 2026.</p>	No comparable provision.
19	<p>Advance credit of homestead credit refund. Requires DOR to establish a program through which eligible senior claimants could opt to receive an “advance payment” of their property tax refund in the form of a property tax credit. The advance payment would equal 50 percent of the senior claimant’s homestead credit refund in the previous year.</p> <p>Effective for advance payment elections in 2025 and refunds based on property taxes payable in 2026.</p>	No comparable provision.
20	<p>Land bank organization. Defines “land bank organization” as an organization that acquires, holds, or manages vacant, blighted, foreclosed, or tax-forfeited property for future development, redevelopment, or disposal. A land bank organization must be either (1) a nonprofit organization with a governing board whose members are elected or appointed by a unit of government, an agency of a unit of government, or whose members are elected or appointed officials of a unit of government, or (2) a limited liability</p>	Section 10. Same.

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Section	HOUSE Article 2: Property Taxes and Local Government Aids	SENATE Article 2: Property Taxes and Local Government Aids
	<p>company of which such a nonprofit is the sole member.</p> <p>Effective the day following final enactment.</p>	
21	<p>Authority.</p> <p>Allows local units of government to abate property taxes on property that will be used for the development of affordable housing and on property that is held by a land bank organization for future development.</p> <p>Effective the day following final enactment.</p>	<p>Section 11. Same.</p>
22	<p>Duration limit.</p> <p>Allows abatements granted for the development of affordable housing and to land bank property to be granted for a duration of up to five years.</p> <p>Effective for abatement resolutions approved after the day following final enactment.</p>	<p>Section 12. Same.</p>
23	<p>Repayment.</p> <p>Requires repayment, with interest, of an abatement received by a land bank organization if the land for which the abatement was granted is used for a purpose other than the purpose given by the land bank organization, prior to redevelopment. Land is subject to this provision for the same number of years that the abatement was granted.</p> <p>Effective the day following final enactment.</p>	<p>Section. 13. Similar.</p> <p>Senate specifies that determination of land use is made by the governing body of the political subdivision that granted the abatement.</p>
	<p>No comparable provision.</p>	<p>Section 14. Payment dates; local government aid.</p> <p>Modifies the percentages of city local government aid payments that are distributed on March 20, 2025, and July 20, 2025.</p> <p>Effective for aids payable in calendar year 2025.</p>
	<p>No comparable provision.</p>	<p>Section 15. Definitions; local affordable housing aid.</p> <p>Provides a definition of “locally funded housing expenditures” in section 477A.35.</p> <p>Effective beginning with aids payable in 2024.</p>
	<p>No comparable provision.</p>	<p>Section 16. Qualifying projects; local affordable housing aid.</p> <p>Expands the list of local affordable housing aid qualifying programs to include financing the operations and management of financially distressed residential properties, and the funding of supportive services.</p> <p>Effective beginning with aids payable in 2024.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 2: Property Taxes and Local Government Aids	SENATE Article 2: Property Taxes and Local Government Aids
	No comparable provision.	<p>Section 17. Use of proceeds; local affordable housing aid.</p> <p>Provides conditions for meeting requirements for use of funds, including the deadlines for committing and expending awarded funds. Prohibits an aid recipient from using funds to reimburse itself for prior expenditures.</p> <p>Effective beginning with aids payable in 2024.</p>
	No comparable provision.	<p>Section 18. Maintenance of effort; local affordable housing aid.</p> <p>Establishes a maintenance of effort requirement for recipients of aid based on the three prior fiscal years of locally funded housing expenditures.</p> <p>Effective the day following final enactment.</p>
	No comparable provision.	<p>Section 19. Administration; local affordable housing aid.</p> <p>Expands reporting requirements for aid recipients to include certifying and documenting compliance with the maintenance of effort requirement. Requires recipients that do not meet the maintenance of effort requirement to pay back aid. Establishes process for recipients to request a stop in payment and for the commissioner to resume stopped aid payments.</p> <p>Effective beginning with aids payable in 2025.</p>
24	<p>Use of proceeds.</p> <p>Prohibits recipients of local homeless prevention aid from using the aid to cover the costs of removing individuals from an encampment or for clearing an encampment.</p> <p>Effective beginning with aids payable in 2024.</p>	No comparable provision.
25	<p>Payments.</p> <p>Requires the commissioner of revenue to recertify the 2024 local homeless prevention aid by July 15, 2024.</p> <p>Effective beginning with aids payable in 2024.</p>	No comparable provision.
26	<p>Appropriation.</p> <p>Provides a onetime increase of \$5,000,000 to local homeless prevention aid in 2024.</p> <p>Effective beginning with aids payable in 2024.</p>	No comparable provision.
27	<p>Report.</p> <p>Expires the biannual report for local homeless prevention aid following the report submitted which includes aid paid in 2028.</p>	No comparable provision.

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 2: Property Taxes and Local Government Aids	SENATE Article 2: Property Taxes and Local Government Aids
	Effective beginning with aids payable in 2024.	
	No comparable provision.	<p>Section 20. Application; Tribal Nation aid. Changes the date by which the commissioner of revenue is required to notify eligible Tribal Nations of the amount of aid they will receive in the calendar year from August 1 to June 1 of each year.</p> <p>Effective the day following final enactment.</p>
	No comparable provision.	<p>Section 21. Payment date; Tribal Nation aid. Changes the Tribal Nation aid payment date from December 27 of the year the aid is certified to July 20 of the year the aid is certified.</p> <p>Effective for aid paid in 2025 and thereafter.</p>
	No comparable provision.	<p>Section 22. Report; public safety aid. Establishes a reporting requirement for recipients of public safety aid. Requires local units that received over \$10,000 in aid, counties, and Tribal governments to submit a report by January 15, 2025, to the commissioner of public safety. Requires the commissioner of public safety to compile the data and to submit in a report by February 15, 2025, to the legislative committees with jurisdiction over public safety and finance, taxes, and property taxes.</p> <p>Effective the day following final enactment.</p>
28	<p>2023 aid penalty forgiveness; city of Stewart. Allows the city of Stewart to receive the portion of its 2023 local government aid payment that was withheld. The city would receive the withheld aid amount of \$87,501.50, provided that, by June 1, the state auditor certifies that the city submitted its required financial statements for 2022.</p> <p>Effective the day following final enactment.</p>	<p>Section 23. Same.</p>
	No comparable provision.	<p>Section 24. Tribal Nation aid. Changes the payment date of Tribal Nation aid for calendar year 2024 from December 27, 2024, to June 20, 2024. Appropriates \$35,000,000 from the general fund to the commissioner of revenue to make the June 20, 2024, aid payments.</p> <p>Effective the day following final enactment.</p>
	<p>Article 9, Section 10. Different. House provides a grant of \$50,00 in fiscal year 2025 to the Anoka County Soil and Water Conservation District, paid by July 15, 2024.</p> <p>Effective the day following final enactment.</p>	<p>Section 25. Supplemental 2024 soil and water conservation district aid distribution. Provides a onetime \$2,000,000 appropriation in fiscal year 2025 to the commissioner of revenue to make supplemental payments to soil and water conservation districts. Requires supplemental aid to be distributed among districts proportionally to their 2024 SWCD aid award amounts. Requires the Board of Water and Soil Resources to certify supplemental</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 2: Property Taxes and Local Government Aids	SENATE Article 2: Property Taxes and Local Government Aids
		aid amounts before August 1, 2024, and requires the commissioner to make payments on December 26, 2024. Effective for aid payable in calendar year 2024.
	No comparable provision.	Section 26. Supplemental 2024 town aid distribution. Provides a onetime \$2,000,000 appropriation in fiscal year 2025 to the commissioner of revenue to make supplemental town aid payments. Requires supplemental aid to be distributed among towns proportionally to their 2024 town aid award amounts. Requires the commissioner of revenue to certify supplemental aid amounts before August 1, 2024, and pay the aid on December 26, 2024. Effective for aid payable in calendar year 2024.
29	Property tax exemption; Red Lake Nation College. Provides a property tax exemption for taxes paid in 2022 and a portion of taxes paid in 2021 for property in Minneapolis purchased by Red Lake Nation for the Red Lake Nation College. This section provides a state payment for taxes attributable to the exemption and cancels penalties, interest, and costs associated with the tax payment. Effective the day following final enactment.	Section 27. Similar. Senate requires an exemption application be filed by August 1, 2024, and does not cancel penalties, interest, and costs.
30	Appropriation; administration of advance homestead credit for seniors. Provides an appropriation of \$158,000 in fiscal year 2025 to the commissioner of revenue to administer the advance homestead credit for seniors. Effective July 1, 2024.	No comparable provision.
	No comparable provision.	Section 28. Repealer; local affordable housing aid. Repeals section 477A.35, subdivision 1, which provides the purpose statement for the local affordable housing aid program. Effective beginning with aids payable in 2024.
31	Repealer. Repeals the expiration of local homeless prevention aid. Under current law, the aid is set to expire after 2028.	No comparable provision.

Section	HOUSE Article 3: Minerals Taxes	SENATE Article 3: Minerals
1	Definitions. Conforming change related to the renaming of the Iron Range school consolidation and cooperatively	Section 1. Similar. Senate pluralizes “schools.”

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 3: Minerals Taxes	SENATE Article 3: Minerals
	<p>operated school account to the Iron Range school and community development account.</p> <p>Effective the day following final enactment.</p>	
2	<p>Reduction amount.</p> <p>Increases the maximum taconite homestead credit to \$515. Under current law, the credit is available to homesteads within the taconite relief area and is funded by taconite production tax revenues. For certain areas within the taconite relief area, the credit is equal to 66 percent of the tax due, up to a maximum amount of \$315.10. For other areas within the taconite relief area, the credit is equal to 57 percent of the tax due, up to a maximum amount of \$289.80. This bill would increase both maximum amounts to \$515.</p> <p>Effective beginning with property taxes payable in 2025.</p>	<p>Section 2. Same.</p>
3	<p>Notice of proposed taxes; property subject to chapter 276A.</p> <p>Changes the proposed property tax statement for commercial-industrial property within the boundaries of the Iron Range fiscal disparities program. The tax amount for each jurisdiction shown on the statement would be equal to the property’s net tax capacity multiplied by the jurisdiction’s rate. This would be the amount paid to each jurisdiction, absent of the fiscal disparities program. An additional line shown as the “fiscal disparities adjustment” will be equal to the total tax applied to the property minus the sum of the tax amounts shown for each jurisdiction. This value represents the impact of the fiscal disparities program on the overall tax paid by the property. For some properties, this value will be positive, for others it will be negative.</p> <p>Effective beginning with proposed notices for property taxes payable in 2025.</p>	<p>Section 3. Same.</p>
4	<p>Contents of tax statements; property subject to chapter 276A.</p> <p>Changes the property tax statement for commercial-industrial property within the boundaries of the Iron Range fiscal disparities program in the same manner that the proposed property tax statement is changed in the previous section.</p> <p>Effective beginning with proposed notices for property taxes payable in 2025.</p>	<p>Section 4. Same.</p>
5	<p>School fund allocation.</p> <p>Conforming change related to the renaming of the Iron Range school consolidation and cooperatively</p>	<p>Section 5. Similar.</p> <p>Senate pluralizes “schools.”</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 3: Minerals Taxes	SENATE Article 3: Minerals
	<p>operated school account to the Iron Range school and community development account.</p> <p>Effective the day following final enactment.</p>	
6	<p>Certification of values; payment. Conforming change related to the renaming of the Iron Range school consolidation and cooperatively operated school account to the Iron Range school and community development account.</p> <p>Effective the day following final enactment.</p>	<p>Section 6. Similar. Senate pluralizes “schools.”</p>
7	<p>Within taconite assistance area. Clarifies that the redirection of ten percent of the gross proceeds tax to Aurora, Babbit, Ely, Hoyt Lakes, Biwabik, and Embarrass Township for the first five years that distributions of the tax are made only applies to distribution of taxes paid by a mining operation located within the taconite assistance area, as it was defined prior to the changes to that definition that were enacted in 2023.</p> <p>Effective beginning with the 2025 distribution.</p>	<p>Section 7. Same.</p>
8	<p>Occupation taxes to be apportioned. Conforming change related to the renaming of the Iron Range school consolidation and cooperatively operated school account to the Iron Range school and community development account.</p> <p>Effective the day following final enactment.</p>	<p>Section 8. Similar. Senate pluralizes “schools.”</p>
	<p>No comparable provision.</p>	<p>Section 9. Establishment. Allows scholarships from a county’s scholarship fund to be used at an accredited skilled trades program within the county in addition to a two-year Minnesota State College and Universities institution.</p> <p>Effective the day following final enactment.</p>
9	<p>Iron Range school and community development account. Renames the Iron Range school consolidation and cooperatively operated school account to the Iron Range school and community development account.</p> <p>Effective the day following final enactment.</p>	<p>Section 10. Similar. Senate pluralizes “schools.”</p>
10	<p>Range Association of Municipalities and Schools. Increases the taconite production tax distribution to the Range Association of Municipalities and Schools (RAMS) to 0.5 cents per taxable ton.</p> <p>Effective beginning with the 2024 distribution.</p>	<p>Section 11. Same.</p>
11	<p>Transfer. Increases the annual transfer of the taconite production tax distribution from the Douglas J.</p>	<p>Section 12. Similar. Minor inconsequential formatting differences.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 3: Minerals Taxes	SENATE Article 3: Minerals
	<p>Johnson economic protection trust fund to the Iron Range consolidation and cooperatively operated school account. Under current law, \$3,500,000 is transferred annually. Under the bill, \$6,250,000 would be transferred in 2024, \$6,500,000 would be transferred in 2025-2029, \$5,500,000 would be transferred in 2030-2034, \$5,000,000 would be transferred in 2035 and 2036, and \$3,500,000 would be transferred annually beginning in 2037.</p> <p>Effective beginning with the 2024 distribution.</p>	
12	<p>Distribution of taconite municipal aid account. Increases from \$15,000 to \$25,000 the amount of the taconite production tax distribution to the taconite municipal aid account that is annually distributed to Breitung Township.</p> <p>Effective beginning with the 2024 distribution.</p>	<p>Section 13. Same.</p>
13	<p>Use of money. Clarifies that the Douglas J. Johnson economic protection trust fund may be used to fund reserve accounts to secure payments of bonds authorized to be repaid from the Iron Range consolidation and cooperatively operated school account.</p> <p>Effective the day following final enactment.</p>	<p>Section 14. Same.</p>
14	<p>Iron Range resources and rehabilitation commissioner; bonds authorized in 2024. Requires the commissioner of Iron Range resources and rehabilitation to issue up to \$49,000,000 in bonds in 2024 to fund grants for a variety of projects. The bond payments would be made from taconite production tax distributions to the Iron Range consolidation and cooperatively operated school account.</p> <p>Effective the day following final enactment and applies beginning with the 2024 distribution.</p>	<p>Section 15. Similar. Senate language includes requirements for review and recommendation by the Iron Range Resources and Rehabilitation Board, prohibits the commissioner of Iron Range resources and rehabilitation from using any funds for administrative costs, requires that projects funded through other revenue sources maintain allocated amount and designated use, and lastly there exists differences in various grant amounts and designated uses.</p>
15	<p>Iron Range resources and rehabilitation commissioner; bonds authorized in 2025. Requires the commissioner of Iron Range resources and rehabilitation to issue up to \$31,000,000 in bonds in 2025 to fund grants for a variety of projects. The bond payments would be made from taconite production tax distributions to the Iron Range consolidation and cooperatively operated school account.</p> <p>Effective the day following final enactment and applies beginning with the 2025 distribution.</p>	<p>Section 16. Similar. Senate language includes requirements for review and recommendation by the Iron Range Resources and Rehabilitation Board, prohibits the commissioner of Iron Range resources and rehabilitation from using any funds for administrative costs, requires that projects funded through other revenue sources maintain allocated amount and designated use, and lastly there exists differences in various grant amounts and designated uses.</p>
16	<p>Transfer 2024 distribution only; taconite economic development fund. Provides a onetime transfer of \$300,000 from the 2024 distribution to the taconite economic</p>	<p>Section 17. Same.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 3: Minerals Taxes	SENATE Article 3: Minerals
	<p>development fund to the city of Chisholm for the Senator David Tomassoni Bridge of Peace.</p> <p>Effective the day following final enactment.</p>	

Section	HOUSE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes	SENATE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes
	<p>No comparable provision.</p>	<p>Section 1. 2024 sales tax refund account. Creates a sales tax refund account in the special revenue fund for purposes of issuing refunds for the sales tax exemptions in sections 11 to 43. Any amount remaining in the account on July 1, 2029, cancels to the general fund.</p> <p>Effective the day following final enactment.</p>
1	<p>Credit for research. Establishes a permanent 0.5 percent credit rate for the provider tax research credit. Under current law, the rate is 2.5 percent, but may be reduced to a statutory minimum of 0.5 percent, to the extent the total amount of credits in a year exceeds \$2,500,000.</p> <p>Effective the day following final enactment.</p>	<p>Section 2. Same, except for inconsequential numerical reference.</p>
2	<p>Amusement device gross receipts tax. Establishes a gross receipts tax equal to 6.875 percent on the service of making available for play any amusement device. The portion of the tax equal to 6.5 percent must be deposited in the general fund and the remaining portion be deposited pursuant to the legacy constitutional amendment requirements.</p> <p>Effective October 1, 2024.</p>	<p>No comparable provision.</p>
3	<p>Sale and purchase. Removes “amusement devices” from the sales tax base for taxable services.</p> <p>Effective October 1, 2024.</p>	<p>No comparable provision.</p>
4	<p>Coin-operated entertainment and amusement devices. Updates a cross-reference to the gross receipts tax established by section 2, to clarify that the purchase of coin-operated amusement devices by a retailer making available the devices for play is exempt from sales tax.</p> <p>Effective October 1, 2024.</p>	<p>No comparable provision.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes	SENATE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes
5	<p>Jukebox music.</p> <p>Updates a cross-reference to the gross receipts tax established by section 2 to clarify that the purchase of music for play in jukeboxes by a retailer making available the jukebox for play is exempt from sales tax.</p> <p>Effective October 1, 2024.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p>Section 3. Firearm safety devices; firearm storage units.</p> <p>Amends the sales tax exemption for firearm storage units to include firearm safety devices. “Firearm safety device” means a device that, when installed on a firearm, is designed to prevent the firearm from being operated without first deactivating the device, or a device to be equipped or installed on a firearm that is designed to prevent the operation of the firearm by anyone does not have authorized access to the firearm.</p> <p>Specifies that a firearm sold with a firearm safety device already installed on it is treated as the sale of a firearm, not the sale of a firearm safety device.</p> <p>Also adds firearm safety devices to the prohibition on sellers from collecting or transmitting data or information about a purchase of a firearm storage unit. Specifies that data pertaining to the purchaser resulting from the purchase or transfer of a firearm safety device or firearm storage unit is private data or nonpublic data.</p> <p>Effective for sales and purchases made after June 30, 2024.</p>
	<p>No comparable provision.</p>	<p>Section 4. Data centers.</p> <p>Allows qualified large-scale data centers to claim an upfront sales tax exemption for qualifying purchases. A “qualified large-scale data center” is a facility located in Minnesota:</p> <ul style="list-style-type: none"> ▪ that is comprised of one or more buildings connected by fiber and associated equipment that consist in the aggregate of at least 25,000 square feet in one physical location or multiple locations; and ▪ for which the total cost of construction or refurbishment, enterprise information technology equipment, and computer software is at least \$250,000,000 between the facility and its tenants in a 60-month period beginning after June 30, 2024. <p>Provides that the upfront sales tax exemption applies only if an entity seeking the exemption certifies to the commissioner of DEED that it will meet the requirements of the definition of a qualified large-scale data center. The commissioner of DEED must notify the commissioner of revenue whether the</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes	SENATE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes
		<p>entity has met the requirements of the definition. Purchases made before the notification do not qualify for the upfront exemption. Requires prevailing wage to be paid to laborers and mechanics performing work on all qualified data centers, qualified refurbished data centers, and qualified large-scale data centers. Also requires a qualified large-scale data center to certify to the commissioner of DEED that it has met various sustainable design or green building standards. If these requirements have not been met, the amount of the upfront exemption allowed must be repaid.</p> <p>Extends the sunset for the sales tax exemption for all data centers to sales and purchases made before June 30, 2050.</p> <p>Effective for sales and purchases made after June 30, 2024.</p>
	No comparable provision.	<p>Section 5. Nonprofit snowmobile clubs; machinery and equipment.</p> <p>Expands the exemption for sales to and purchases by nonprofit snowmobile clubs to include materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, maintenance, or improvement of state or grant-in-aid snowmobile trails that are completed by the club.</p> <p>Effective for sales and purchases made after June 30, 2024.</p>
	No comparable provision.	<p>Section 6. Tax collected. (Refundable sales tax exemptions)</p> <p>Specifies that the sales tax refund provisions under current law apply to qualified data centers and qualified refurbished data centers.</p> <p>Effective for sales and purchases made after June 30, 2024.</p>
	No comparable provision.	<p>Section 7. Moist snuff. (Tobacco products)</p> <p>Modifies the definition of “moist snuff” to include products containing nicotine that are similar to the current definition of moist snuff: finely cut, ground, or powdered smokeless tobacco that is intended to be placed or dipped in the mouth.</p> <p>Effective July 1, 2024.</p>
	No comparable provision.	<p>Section 8. Tobacco products.</p> <p>Amends the definition of “tobacco products” to include “moist snuff,” which would now include products containing nicotine that are similar to moist snuff under the provisions of section 7.</p> <p>Effective July 1, 2024.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes	SENATE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes
6	<p>Criminal act. Removes a cross-reference to chapter 297D from the definition of “criminal act” under chapter 609. Effective August 1, 2024.</p>	<p>Section 9. Same.</p>
	<p>No comparable provision.</p>	<p>Section 10. Exemption; refund. (Sales tax exemption; city of Ramsey) Adds materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of trunk water main improvements in the city of Ramsey to the exemption under current law for materials and equipment for a new water treatment plant. Effective retroactively for sales and purchases made after December 31, 2022, and before July 1, 2027.</p>
	<p>No comparable provision.</p>	<p>Section 11. Adrian Independent School District. Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the secondary building roofing and elementary building roofing. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$4,999. Effective retroactively for sales and purchases made after March 31, 2024, and before September 1, 2025.</p>
	<p>No comparable provision.</p>	<p>Section 12. City of Apple Valley. Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the Central Maintenance Facility. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$540,000. Effective retroactively for sales and purchases made after February 29, 2024, and before July 1, 2028.</p>
	<p>No comparable provision.</p>	<p>Section 13. Becker Public School District. Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the following projects:</p> <ul style="list-style-type: none"> ▪ Becker Early Childhood ▪ Becker Primary School ▪ Becker Intermediate School ▪ Becker Middle School ▪ Becker High School ▪ Becker Transportation Building

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes	SENATE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes
		<ul style="list-style-type: none"> ▪ Becker Multi-Purpose Athletic Facility <p>Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$1,180,000. Effective retroactively for sales and purchases made after December 31, 2021, and before January 1, 2026.</p>
	No comparable provision.	<p>Section 14. Big Lake Independent School District. Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the following projects:</p> <ul style="list-style-type: none"> ▪ Big Lake Liberty Elementary School ▪ Big Lake Independence Elementary School ▪ Big Lake Middle School ▪ Big Lake High School <p>Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$780,000. Effective retroactively for sales and purchases made after December 31, 2021, and before January 1, 2025.</p>
	<p>Article 9, section 11. Different. House appropriates \$580,000 in fiscal year 2025, which must be paid by July 15, 2024, for a grant to Browerville Public Schools for the same purposes for which the sales tax exemption applies.</p>	<p>Section 15. Browerville Public Schools. Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of renovations to the prekindergarten through grade 12 school building and construction of a new gymnasium, classrooms, locker rooms, a wrestling and weight room, offices, and a stage. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$580,000.</p> <p>Effective retroactively for sales and purchases made after December 31, 2023, and before January 1, 2026.</p>
	No comparable provision.	<p>Section 16. City of Burnsville. Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of new city hall. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$760,000.</p> <p>Effective for sales and purchases made after December 31, 2024, and before July 1, 2028.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes	SENATE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes
	No comparable provision.	<p>Section 17. Canby Independent School District. Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the following projects:</p> <ul style="list-style-type: none"> ▪ new gymnasium with improved community access ▪ career technical education space addition ▪ HVAC upgrades ▪ new eight-lane track ▪ athletic field improvements and upgrades ▪ stadium seating and press box renovations ▪ secure entrance upgrades for both schools with associated administrative office relocations ▪ renovations to existing locker rooms ▪ classroom renovations ▪ site drainage ▪ other associated renovations <p>Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$860,000.</p> <p>Effective retroactively for sales and purchases made after December 31, 2023, and before January 1, 2026.</p>
	No comparable provision.	<p>Section 18. Cass Lake-Bena Independent School District. Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction of improvements to repurpose and remodel existing elementary school for use as an early childhood and preschool site, alternative learning center, and district service center. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$980,000.</p> <p>Effective retroactively for sales and purchases made after June 30, 2023, and before October 1, 2025.</p>
	No comparable provision.	<p>Section 19. City of Chanhassen. Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the Chanhassen Bluffs Sports Complex. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$1,480,000.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes	SENATE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes
		Effective for sales and purchases made after August 31, 2025, and before October 1, 2026.
	No comparable provision.	<p>Section 20. City of Columbia Heights. Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the city hall facility. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$220,000.</p> <p>Effective retroactively for sales and purchases made after August 31, 2021, and before April 1, 2024.</p>
	No comparable provision.	<p>Section 21. City of Delano. Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of an ice rink. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$310,000.</p> <p>Effective retroactively for sales and purchases made after November 30, 2023, and before January 1, 2026.</p>
	No comparable provision.	<p>Section 22. City of Edina. Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of Fred Richards Park and improvements to Braemar Park. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$870,000.</p> <p>Effective retroactively for sales and purchases made after December 31, 2023, and before July 1, 2028.</p>
	No comparable provision.	<p>Section 23. Ellsworth Independent School District. Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of:</p> <ul style="list-style-type: none"> ▪ replacement of a boiler system with a heating and cooling HVAC system; ▪ replacement of windows in the elementary wing; ▪ replacement of the gym roof and shop roof; ▪ replacement of fuel oil with propane for the new HVAC system;

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes	SENATE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes
		<ul style="list-style-type: none"> ▪ installation of a new electrical system for the new HVAC system; ▪ building tuckpointing; and ▪ renovation of the bus garage. <p>Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$160,000.</p> <p>Effective for sales and purchases made after December 31, 2024, and before October 1, 2025.</p>
	No comparable provision.	<p>Section 24. City of Grand Rapids.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the IRA Civic Center. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$580,000.</p> <p>Effective retroactively for sales and purchases made after June 30, 2021, and before July 1, 2024.</p>
	No comparable provision.	<p>Section 25. Heron Lake-Okabena Independent School District.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the following projects:</p> <ul style="list-style-type: none"> ▪ roof replacement; ▪ concrete work; ▪ tuckpointing; ▪ windows; ▪ flooring; ▪ bus garage doors; ▪ Heron Lake doors; and ▪ bathroom fixtures and upgrades. <p>Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$100,000.</p> <p>Effective for sales and purchases made after May 31, 2024, and before January 1, 2025.</p>
	No comparable provision.	<p>Section 26. Hills-Beaver Creek Independent School District.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a new elementary school and parking lot and repairs to a gymnasium, lockers rooms, vehicle garage, and bus garage building.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes	SENATE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes
		<p>Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$880,000.</p> <p>Effective retroactively for sales and purchases made after February 29, 2024, and before January 1, 2026.</p>
	No comparable provision.	<p>Section 27. Itasca County.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a county courthouse. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$470,000.</p> <p>Effective retroactively for sales and purchases made after April 30, 2021, and before January 1, 2025.</p>
	No comparable provision.	<p>Section 28. Lake Superior School District.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the following projects:</p> <ul style="list-style-type: none"> ▪ addition and improvements to Minnehaha Elementary School; ▪ addition and improvements to William Kelly School; ▪ improvements to Two Harbors High School; ▪ improvements to or replacement of the Two Harbors Bus Garage and Silver Bay Bus Garage; and ▪ improvements to athletic facilities. <p>Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$1,320,000.</p> <p>Effective retroactively for sales and purchases made after December 31, 2022, and before January 1, 2026.</p>
	No comparable provision.	<p>Section 29. Le Sueur-Henderson School District.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a new elementary school. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$930,000.</p> <p>Effective retroactively for sales and purchases made after May 31, 2023, and before January 1, 2025.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes	SENATE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes
	No comparable provision.	<p>Section 30. Martin County West Independent School District.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a new prekindergarten through grade 12 school building. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$2,280,000.</p> <p>Effective for sales and purchases made after September 30, 2025, and before January 1, 2027.</p>
	No comparable provision.	<p>Section 31. City of Plymouth.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the following projects:</p> <ul style="list-style-type: none"> ▪ Plymouth City Center revitalization project: (construction of a public parking ramp, renovation of Plymouth Boulevard, expansion of the Plymouth Ice Center, construction of regional stormwater ponding, roadway realignment, and expansion of the Plymouth Community Center); ▪ Zachary Water Treatment Plant; and ▪ Meadows Playfield. <p>Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$620,000.</p> <p>Effective retroactively for sales and purchases made after December 31, 2023, and before July 1, 2028.</p>
	No comparable provision.	<p>Section 32. City of Rochester.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the Rochester sports and recreation complex. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$1,320,000.</p> <p>Effective retroactively for sales and purchases made after June 30, 2023, and before July 1, 2028.</p>
	No comparable provision.	<p>Section 33. Round Lake-Brewster Independent School District.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes	SENATE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes
		<p>remodeling of a new three-story school building. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$870,000.</p> <p>Effective retroactively for sales and purchases made after December 31, 2023, and before September 1, 2026.</p>
	No comparable provision.	<p>Section 34. Russell Tyler Ruthton Independent School District.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a prekindergarten through grade 12 school building and athletic facilities. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$1,590,000.</p> <p>Effective retroactively for sales and purchases made after December 31, 2019, and before January 1, 2024.</p>
	No comparable provision.	<p>Section 35. City of Spring Lake Park.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a city hall facility. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$360,000.</p> <p>Effective retroactively for sales and purchases made after December 31, 2023, and before January 1, 2026.</p>
	No comparable provision.	<p>Section 36. St. Clair School District.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of new classrooms and playgrounds, and improvements to roofs, parking lots, mechanical systems, and athletic spaces. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$350,000.</p> <p>Effective retroactively for sales and purchases made after October 31, 2021, and before November 1, 2025.</p>
	No comparable provision.	<p>Section 37. Tracy Area Independent School District.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction,</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes	SENATE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes
		<p>reconstruction, upgrade, expansion, renovation, or remodeling of Tracy Elementary, Tracy High School, and Tracy Kids World. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$650,000.</p> <p>Effective retroactively for sales and purchases made after December 31, 2022, and before January 1, 2025.</p>
	No comparable provision.	<p>Section 38. City of Watertown.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a new water tower. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$140,000.</p> <p>Effective retroactively for sales and purchases made after April 30, 2024, and before February 1, 2026.</p>
	No comparable provision.	<p>Section 39. Windom Independent School District.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of facility roofing projects, HVAC upgrades, athletic track replacement, and outdoor athletic complex improvements. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$870,000.</p> <p>Effective for sales and purchases made after June 30, 2024, and before January 1, 2027.</p>
7	<p>City of Woodbury; sales tax exemption for construction materials.</p> <p>Provides a retroactive, refundable sales tax exemption on materials and supplies used in and equipment incorporated into the construction and renovation of a water treatment facility and associated infrastructure in the city of Woodbury. This exemption only applies to the portion of the construction that is funded by the city.</p> <p>Requires that materials and supplies be purchased after January 31, 2024, and before July 1, 2025. Refunds for eligible purchases must not be issued until after June 30, 2024, and no refunds may be issued after June 30, 2025.</p>	<p>Section 40. Different.</p> <p>Senate exempts the same materials, supplies, and equipment, but limits the total amount of refunds to \$2,070,000.</p> <p>Senate appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account.</p> <p>Same language for the first date after which refunds may be issued.</p> <p>Different effective date. Senate provision is effective retroactively for sales and purchases made after January 31, 2024, and before July 1, 2028.</p>
		<p>Section 41. Worthington Independent School District.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes	SENATE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes
		<p>equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the following projects:</p> <ul style="list-style-type: none"> ▪ new grades 3 through 5 intermediate school building; ▪ new community education building to serve early childhood, adult basic education, and the Nobles County Integration Collaborative programs; ▪ new storage facility to serve the Worthington Intermediate School, Worthington Learning Center and gymnastics facility, and Worthington Community Education building; ▪ reconstruction and replacement of the parking lot at the Worthington Middle School; ▪ addition to the Worthington High School and remodeling of existing space and expansion of core areas; ▪ new ice arena with associated event space; ▪ installation of a turf football field at the Worthington Middle School; ▪ demolition of the former West Elementary building and construction of sports fields with associated parking; ▪ reconstruction of Trojan Field and associated facilities; and ▪ improvements to the Worthington Learning Center and gymnastics facility. <p>Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$2,840,000.</p> <p>Effective retroactively for sales and purchases made after April 30, 2020, and before January 1, 2028.</p>
		<p>Section 42. City of Duluth and city of Ely; housing development projects.</p> <p>Provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the following projects located in the city of Ely and at the former Central High School site in the city of Duluth:</p> <ul style="list-style-type: none"> ▪ an apartment development with at least 37 units; ▪ a condominium development with at least 25 units; and ▪ a townhome development with at least ten units.

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes	SENATE Article 4: Sales and Use Taxes, Gross Receipts Taxes, and Excise Taxes
		<p>Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$3,890,000.</p> <p>Effective retroactively for sales and purchases made after December 31, 2023, and before July 1, 2026.</p>
		<p>Section 43. City of St. Cloud; redevelopment districts.</p> <p>Provides a sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the following projects:</p> <p>Stearns County:</p> <ul style="list-style-type: none"> ▪ Lady Slipper Catalyst Site; ▪ North Riverfront Catalyst Site; ▪ Empire Catalyst Site; ▪ Swan Lot Catalyst Site; ▪ Riverboat Lot Catalyst Site; and ▪ Former Herbergers Site. <p>Benton County:</p> <ul style="list-style-type: none"> ▪ Transit Oriented Development Catalyst Site; ▪ Ace Block Catalyst Site; ▪ Star Bank Catalyst Site and ▪ Riverfront South Catalyst Site. <p>Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$3,060,000.</p> <p>Effective for sales and purchases made after May 31, 2024, and before June 1, 2026.</p>
	No comparable provision.	<p>Sec. 44. Combined Rate.</p> <p>Specifies that wherever there is a reference to the rate under Minnesota Statutes, section 297A.62, subdivision 1 (6.5 percent), the rate to be applied is the combined rate under Minnesota Statutes, section 297A.62, subdivisions 1 and 1a (.375 percent Legacy Fund rate).</p>
		<p>Section 45. Transfer.</p> <p>Transfers \$33,910,000 in fiscal year 2024 from the general fund to the sales tax refund account established in section 1. This is a onetime transfer. Effective the day following final enactment.</p>
8	<p>Repealer.</p> <p>Repeals the taxes imposed on illegal cannabis and controlled substances.</p> <p>Effective August 1, 2024.</p>	<p>Section 46. Same.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 5: Tax Increment Financing	SENATE Article 5: Tax Increment Financing
1	<p>City of Ramsey; tax increment financing district; special rules.</p> <p>Provides an extension of the requirement that the city pass a resolution detailing any interfund loan transfers until December 31, 2024.</p> <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	<p>Section 1. Same.</p>
2	<p>City of Maple Grove; tax increment financing district.</p> <p>Makes the following modifications to a tax increment financing district in the city of Maple Grove:</p> <ul style="list-style-type: none"> ▪ extends the five-year rule by an additional five years to 13 years total; and ▪ extends the duration of the district by an additional five years to 25 years total. <p>The extension of the five-year rule is effective upon local approval and compliance with filing requirements for special laws.</p> <p>The extension of the duration of the district is effective upon local approval by the city of Maple Grove, Hennepin County, and Independent School District No. 279, and compliance with filing requirements for special laws.</p>	<p>Section 2. Same, except for inconsequential formatting differences in effective date.</p>
3	<p>City of St. Paul; Ford Site Redevelopment TIF District.</p> <p>Extends the five-year rule to ten years and provides a corresponding extension of the six-year rule for a tax increment financing district in the city of St. Paul.</p> <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	<p>Section 3. Same.</p>
4	<p>City of Brooklyn Center; tax increment financing authority.</p> <p>Authorizes special rules for the city of Brooklyn Center to create redevelopment tax increment financing districts within the city.</p> <p>Subd. 1. Establishment. Authorizes the city to establish one or more redevelopment districts within an area of the city designated the “Opportunity Site.”</p> <p>Subd. 2. Special rules. Allows the following special rules to apply to any district established under subdivision 1:</p> <ul style="list-style-type: none"> ▪ exemption from the required blight findings for establishing a redevelopment district; and 	<p>Section 4. Different.</p> <p>Senate limits the number of districts established to two, exempts the district from the requirement that 90 percent of increment be spent on blight conditions (rather than “deeming”), and provides that increment may be expended within project area and all expenditures are considered in-district expenditures.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 5: Tax Increment Financing	SENATE Article 5: Tax Increment Financing
	<ul style="list-style-type: none"> ▪ deems that any increment spent on development meets the requirement that at least 90 percent of increment be spent on correction of blight conditions. <p>Subd. 3. Expiration. Authorizes the city to establish districts under these special rules until December 31, 2030.</p> <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	
5	<p>City of Brooklyn Park; tax increment financing authority; Village Creek area.</p> <p>Subd. 1. Establishment. Authorizes the city to establish one or more redevelopment districts within the city limited to specified parcels once the current TIF District No. 20 expires.</p> <p>Subd. 2. Special rules. Allows the following special rules to apply to any district established under subdivision 1:</p> <ul style="list-style-type: none"> ▪ exemption from the required blight findings for establishing a redevelopment district; ▪ deems that any increment spent on development meets the requirement that at least 90 percent of increment be spent on correction of blight conditions; and ▪ extension of the five-year rule to ten years and corresponding extension of the six-year rule. <p>Subd. 3. Expiration. Authorizes the city to establish one or more redevelopment districts subject to the special rules of this section by the end of 2030.</p> <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	<p>Section 5. Different. Senate limits the number of districts that may be established to two, exempts the district from the requirement that 90 percent of increment be spent on blight conditions (rather than ‘deeming’), and does not extend the 5 or 6-year rules.</p>
6	<p>City of Brooklyn Park; tax increment financing authority; 610/Zane area.</p> <p>Subd. 1. Establishment. Authorizes the city or its economic development authority to establish one or more redevelopment districts within the city limited to specified parcels.</p> <p>Subd. 2. Special rules. Allows the following special rules to apply to any district established under subdivision 1:</p> <ul style="list-style-type: none"> ▪ exemption from the required blight findings for establishing a redevelopment district; ▪ deems that any increment spent on development meets the requirement that at least 90 percent of increment be 	<p>Section 6. Different. Senate limits the number of districts that may be established to two, exempts the district from the requirement that 90 percent of increment be spent on blight conditions (rather than ‘deeming’), and does not extend the 5 or 6-year rules.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 5: Tax Increment Financing	SENATE Article 5: Tax Increment Financing
	<p>spent on correction of blight conditions; and</p> <ul style="list-style-type: none"> ▪ extension the five-year rule to ten years and corresponding extension of the six-year rule. <p>Subd. 3. Expiration. Authorizes the city to establish districts under these special rules until December 31, 2030.</p> <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	
7	<p>City of Brooklyn Park, tax increment financing authority; BioTech area.</p> <p>Subd. 1. Establishment. Authorizes the city or its economic development authority to establish one or more redevelopment districts within the city limited to specified parcels.</p> <p>Subd. 2. Special rules. Allows the following special rules to apply to any district established under subdivision 1:</p> <ul style="list-style-type: none"> ▪ exemption from the required blight findings for establishing a redevelopment district; ▪ deems that any increment spent on development meets the requirement that at least 90 percent of increment be spent on correction of blight conditions; and ▪ extension the five-year rule to ten years and corresponding extension of the six year rule. <p>Subd. 3. Expiration. Authorizes the city to establish districts under these special rules until December 31, 2030.</p> <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	<p>Section 7. Different.</p> <p>Senate limits the number of districts that may be established to two, exempts the district from the requirement that 90 percent of increment be spent on blight conditions (rather than “deeming”), and does not extend the five- or six-year rules.</p>
8	<p>City of Eden Prairie; tax increment financing authority.</p> <p>Authorizes special rules for the city of Eden Prairie to create redevelopment tax increment financing districts within the city containing parcels that comprise the Eden Prairie Center mall with adjacent rights-of-way.</p> <p>Subd. 1. Establishment. Authorizes the city to establish one or more redevelopment districts within the city limited to the parcels containing Eden Prairie Center and adjacent rights-of-way.</p> <p>Subd. 2. Special rules. Allows the following special rules to apply to any district established under subdivision 1:</p>	<p>Section 8. Different.</p> <p>Senate limits the number of districts that may be established to two, and allows the city until December 31, 2030, to establish districts.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 5: Tax Increment Financing	SENATE Article 5: Tax Increment Financing
	<ul style="list-style-type: none"> ▪ exemption from the required blight findings for establishing a redevelopment district; and ▪ deems that any increment spent on development meets the requirement that at least 90 percent of increment be spent on correction of blight conditions. <p>Subd. 3. Expiration. Authorizes the city to establish districts under these special rules until December 31, 2025.</p> <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	
9	<p>City of Edina; 72nd & France 2 TIF district; five-year rule extension; duration extension.</p> <p>Extends the five-year rule to ten years and provides a corresponding extension of the six-year rule. Extends the duration of the district by five years.</p> <p>The extensions of the five-year rule and six-year rule are effective upon local approval and compliance with filing requirements for special laws.</p> <p>The extension of the duration of the district is effective upon local approval by the city of Edina, Hennepin County, and Independent School District No. 273, and compliance with filing requirements for special laws.</p>	<p>Section 9. Same.</p>
10	<p>City of Edina; 70th & France TIF district; five-year rule extension; duration extension.</p> <p>Extends the five-year rule to ten years and provides a corresponding extension of the six-year rule. Extends the duration of the district by ten years.</p> <p>The extensions of the five-year rule and six-year rule are effective upon local approval and compliance with filing requirements for special laws.</p> <p>The extension of the duration of the district is effective upon local approval by the city of Edina, Hennepin County, and Independent School District No. 273, and compliance with filing requirements for special laws.</p>	<p>Section 10. Similar.</p> <p>Senate authorizes a five-year duration extension.</p>
11	<p>City of Minnetonka; Opus TIF district; five-year rule extension.</p> <p>Extends the five-year rule to ten years and provides a corresponding extension of the six-year rule for the Opus tax increment financing district in the city of Minnetonka that was established in 2021.</p> <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	<p>Section 11. Same, except for inconsequential language differences.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 5: Tax Increment Financing	SENATE Article 5: Tax Increment Financing
12	<p>City of Moorhead; Tax Increment Financing District No. 31; five-year rule extension.</p> <p>Extends the five-year rule to ten years and provides a corresponding extension of the six-year rule.</p> <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	<p>Section 12. Same, except for inconsequential formatting differences.</p>
13	<p>City of Plymouth; tax increment financing authority.</p> <p>Authorizes special rules for the city of Plymouth to create redevelopment tax increment financing districts within the city.</p> <p>Subd. 1. Establishment. Authorizes the city to establish one or more redevelopment districts within the city.</p> <p>Subd. 2. Special rules. Allows the following special rules to apply to any district established under subdivision 1:</p> <ul style="list-style-type: none"> ▪ exemption from the required blight findings for establishing a redevelopment district; ▪ deems that any increment spent on development meets the requirement that at least 90 percent of increment be spent on correction of blight conditions; and ▪ extension of the five-year rule to ten years and provides a corresponding extension of the six-year rule. <p>Subd. 3. Expiration. Authorizes the city to establish districts under these special rules until December 31, 2030.</p> <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	<p>Section 13. Different.</p> <p>Senate limits the number of districts to two and exempts the district from the requirement that 90 percent of increment be spent on blight conditions (rather than “deeming”).</p>
14	<p>City of St. Cloud; tax increment financing authority.</p> <p>Authorizes special rules for the city of St. Cloud to create redevelopment tax increment financing districts within the city.</p> <p>Subd. 1. Establishment. Authorizes the city or its economic development authority to establish one or more redevelopment districts within the city limited to specified parcels that span both Stearns and Benton Counties.</p> <p>Subd. 2. Special rules. Allows the following special rules to apply to any district established under subdivision 1:</p> <ul style="list-style-type: none"> ▪ exempts from the required blight findings for establishing a redevelopment district; ▪ deems that any increment spent on development meets the requirement 	<p>Section 14. Different.</p> <p>Senate limits the number of districts to two and exempts the district from the requirement that 90 percent of increment be spent on blight conditions (rather than “deeming”).</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 5: Tax Increment Financing	SENATE Article 5: Tax Increment Financing
	<p>that at least 90 percent of increment be spent on correction of blight conditions; and</p> <ul style="list-style-type: none"> ▪ deems any increment spent outside of the district on adjacent public infrastructure to be an in-district expenditure to satisfy pooling requirements. <p>Subd. 3. Expiration. Authorizes the city to establish districts under these special rules until December 31, 2030.</p> <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	

Section	HOUSE Article 6: Local Sales and Use Taxes	SENATE Article 6: Local Sales and Use Taxes
1	<p>Authorization. Modifies the current section of law that governs local sales taxes to include the local sales tax authorized under section 4. Clarifies that the provisions of section 297A.99 apply to any local tax that was imposed and enacted prior to July 1, 2024.</p> <p>Effective the day following final enactment.</p>	<p>Section 1. Authorization; scope. Different. Senate does not reference the new local sales tax provisions in section 4.</p> <p>Clarification that the provisions of section 297A.99 apply to any local tax that was imposed and enacted prior to July 1, 2024, is the same.</p> <p>Same effective date.</p>
2	<p>Scope. Clarifies that a local sales tax imposed under special law is subject to the provisions in section 297A.99. Requires that a political subdivision that amends, modifies, or otherwise changes a tax it is currently imposing will be subject to the provisions of the new local sales tax authorization under section 4.</p> <p>Effective the day following final enactment.</p>	<p>No comparable provision.</p>
3	<p>Legislative authority required before voter approval; requirements for adoption, termination, and use. See section 4, subd. 3. Language applies to sales taxes authorized under new section of law but prohibits commingling with revenues from currently imposed local sales taxes.</p> <p>No comparable provision.</p>	<p>Section 2. Legislative authority required before voter approval; requirements for adoption, use, termination. Different.</p> <p>(b) Similar. Prohibits political subdivisions that impose a local sales tax under current law from commingling tax revenues for a project approved by the voters with revenue from a tax authorized under this section, section 3, or any other law, ordinance, or city charter, including an extension of or modification to the uses of a local sales tax for a different project.</p> <p>(c) Requires a political subdivision that imposes a tax under current law to notify the commissioner at least 60 days before the political subdivision anticipates that revenues raised from a local sales tax are sufficient to fund each project approved by the voters. Also requires a political subdivision to notify the commissioner within 30 days of the date</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 6: Local Sales and Use Taxes	SENATE Article 6: Local Sales and Use Taxes
	<p>(e) Requires that, beginning on January 1, 2025, any political subdivision that has a local sales tax subject to section 297A.99 comply with the reporting requirements established under section 5.</p> <p>(g) Requires a political subdivision imposing a local tax under special law to comply with the filing requirements under section 645.021. Requires a tax authorized by special law and approved by the voters be imposed within 15 months of voter approval.</p> <p>(h) Requires that once a tax imposed under special law or by city charter expires, the political subdivision is subject to the tax rate limitation of one percent if the political subdivision decides to impose a new tax.</p> <p>(i) Requires that if a political subdivision cancels a project after it has been approved by voters, the political subdivision must notify the commissioner and the commissioner must proportionately decrease the maximum amount of revenue the political subdivision may collect as well as the duration of the imposition of the tax. If revenue has already been collected for a cancelled project, the political subdivision must return the funds to the commissioner for deposit into the local sales tax equalization distribution account created under section 4. If bonds have been issued for a canceled project, the political subdivision must use other sources of revenue to pay off the debt.</p> <p>Effective the day following final enactment.</p>	<p>that sufficient revenues have been raised to fund the projects approved by the voters.</p> <p>No comparable provision.</p> <p>No comparable provision.</p> <p>(f) Similar. Senate language is specific to local sales taxes authorized under section 297A.99. The one percent limit does not apply to local sales taxes authorized before June 1, 2023, but would apply upon expiration of a local sales tax authorized under section 297A.99, or any other law, ordinance, or city charter. The one percent limit includes a county transportation tax authorized under section 297A.993.</p> <p>No comparable provision in this section.</p> <p>Same effective date.</p>
4	<p>Subd. 1. Definitions.</p> <p>Provides the relevant definitions for the local sales tax authorizations. This subdivision provides definitions for the capital projects authorized to be funded with a local sales tax, including:</p> <ul style="list-style-type: none"> ▪ convention center; ▪ correctional facility, district court, and law enforcement center; ▪ library; ▪ parks ▪ sports complex; and ▪ trail. <p>The definitions of “library,” “park,” and “trail” are different from the Senate’s definitions of these terms.</p>	<p>Section 3. Specified capital projects; local authorization allowed.</p> <p>Subd. 1. Definitions. Different. Senate includes definitions of “airport,” “associated bonding costs,” and “regional community center.”</p> <p>House and Senate have same (or similar with inconsequential language differences) for “convention center,” “correctional facility,” “district court,” “law enforcement center,” and “sports complex”/“regional sports complex.”</p>
	<p>No comparable provision.</p>	<p>Subd. 2. Policy; requirements. Provides general policy statements regarding local sales taxes. Requires that access fees for facilities funded by</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 6: Local Sales and Use Taxes	SENATE Article 6: Local Sales and Use Taxes
		local sales taxes must be equal for residents and nonresidents.
	<p>Subd. 2. Local authorization allowed. Provides that a political subdivision may impose, extend, or modify a local sales tax to finance a specified capital project by meeting the requirements of this section, receiving approval of DOR, and receiving voter approval.</p> <p>House provision does not reference a “regional significance” requirement within this subdivision.</p>	<p>Subd. 3. Similar. Senate provides that a political subdivision must demonstrate regional significance of a project according to subsequent subdivisions in this section.</p>
	<p>Subd. 3. Use of proceeds. Requires the proceeds of a tax be used only to fund the cost of construction or rehabilitation of specified capital projects approved by the voters. Prohibits a political subdivision from commingling funds derived from a tax imposed under this section with funds derived from other local taxes.</p>	<p>Subd. 6, paragraph (a). Similar.</p>
	<p>Subd. 4. Sports complexes and convention centers; additional requirements. Provides additional requirements on taxes imposed to fund sports complexes or convention centers.</p> <p>No similar facility may be located within 15 miles for a political subdivision located outside of the metro area, or within eight miles if the political subdivision is located within the metro area.</p> <p>Requires any entry fees charged to the public for use to be the same for residents and nonresidents.</p> <p>Requires documentation these requirements are met to be sent to DOR.</p> <p>Demonstration of regionality is required under subdivision 10.</p> <p>Letters of support from surrounding communities is required under subdivision 11.</p> <p>Model for sharing revenue is required under subdivisions 16 and 17, and section 6.</p>	<p>Subd. 7. Regional sports complexes; regional community centers. Different.</p> <p>Senate allows a local sales tax to be used to fund regional community center projects.</p> <p>Similar. Senate does not have distance requirements for location of similar facilities.</p> <p>Same.</p> <p>Section 4, paragraph (b). Similar. Senate allows a political subdivision to impose a local sales tax by submitting one of the following to the commissioner:</p> <ul style="list-style-type: none"> (1) Demonstration of regionality; (2) Letters of support from surrounding communities; or (3) Model for revenue sharing.
	<p>Subd. 5. Criminal justice facilities; additional requirements. Provides additional requirements on taxes imposed to fund correctional facilities, law enforcement centers, and district courts.</p> <p>For correctional facilities, the political subdivision must provide official DOC correspondence that improvements are needed, or the project must be a joint project between multiple counties.</p>	<p>Subd. 8. Criminal justice facilities. Similar.</p> <p>Similar. Senate requires official documentation of age of the facility and official correspondence with an analysis of the facility and description of improvements needed; or if the facility is a joint project with at least one other county, a joint powers or other official documentation</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 6: Local Sales and Use Taxes	SENATE Article 6: Local Sales and Use Taxes
	<p>For district court offices, the political subdivision must show the age of the facility and a description of needed improvements.</p> <p>For law enforcement centers, the political subdivision must provide resolutions from surrounding communities stating the facility is needed and the functions of the facility will meet their needs.</p> <p>Documentation must be sent to DOR.</p>	<p>demonstrating the function of the facility in the region.</p> <p>Same requirements. House uses “construction or rehabilitation of, or improvements to” and Senate uses “construction or remodeling of” regarding description of project.</p> <p>Same. Minor language differences.</p> <p>Section 4. Similar.</p>
	<p>Subd. 6. Parks and trails; additional requirements. Provides additional requirements on taxes imposed to fund parks and trail projects to demonstrate the park or trail serves a regional population and purpose. Allows DOR to consult examples and guidance provided in the DNR’s Parks and Trails Legacy Plan.</p> <p>The Senate imposes similar additional requirements and are described in the definitions of “park” and “trail” in subdivision 1 of the Senate bill.</p>	<p>Subd. 9. Different.</p> <p>Senate requires documentation that a park or trail meets the definitions in subd. 1 but does not explicitly provide for examples from which DOR may consult.</p> <p>Senate allows local sales taxes to be imposed to fund convention centers and airports and requires that a political subdivision must demonstrate that a proposed convention center or airport meets the definitions in subd. 1.</p>
	<p>Subd. 7. Tax rate and duration. Restricts the maximum tax rate that can be imposed by a political subdivision to a combined rate of one percent. This includes taxes imposed under this section, as well as any imposed under special law. For counties, this limit includes county transportation taxes.</p> <p>The maximum number of years a tax may be imposed is 30 years.</p>	<p>Subd. 10, par. (c). Same. Minor language differences.</p> <p>Subd. 10, par. (d). Same.</p>
	<p>Subd. 8. Bonds; authorization. Allows a political subdivision imposing a tax under this section to issue bonds to pay the cost of a specified capital project approved by the voters. The amount of bonds is limited to the cost of the project, plus associated financing costs.</p> <p>A separate election to issue the bonds is not required.</p>	<p>Subd. 11. Same. Minor language difference regarding associated bonding costs.</p>
	<p>Subd. 9. Public hearing required. Requires a political subdivision hold a public hearing prior to adopting a resolution approving the tax. The hearing must be open to residents and nonresidents and must not be held before 6:00pm. Notice of the hearing must be</p>	<p>Subd. 4. Demonstration of regional benefit; resolution required. Similar. Notice must be provided at least 60 days in advance of the hearing but is not required to be posted on the political subdivision’s website.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 6: Local Sales and Use Taxes	SENATE Article 6: Local Sales and Use Taxes
	<p>placed on the political subdivision’s website at least 14 days prior to the hearing. Requires the notice to contain information related to the proposed tax.</p> <p>Requires the minutes of the hearing be sent to DOR.</p>	<p>Senate does not include an estimate for revenue distribution.</p> <p>No comparable provision.</p> <p>The political subdivision must provide information for members of the public to contact the political subdivision with questions about the proposed tax.</p>
	<p>Subd.10. Resolution required. Requires that after the public hearing, the governing body of the political subdivision adopt a resolution indicating its approval of the tax. Requires the resolution be submitted to DOR.</p>	<p>Subd. 4, paragraph (c). Same, with minor language differences.</p>
	<p>Subd. 11. Community support required. Requires the political subdivision to provide DOR with letters or resolutions from the governing bodies of at least two surrounding jurisdictions indicating their support of the tax and acknowledgement that the projects to be funded by the tax serve a local or regional need.</p>	<p>No comparable provision.</p> <p>Documentation of community support is one option to demonstrate the need for a regional sports complex or regional community center.</p>
	<p>Subd. 12. Voter approval required. Requires that a tax approved by DOR must be presented to the voters for approval during a general or special election occurring on the first Tuesday after the first Monday in November. The tax may only be on the ballot at a special election if it’s not the only item on the ballot.</p> <p>Requires that the ballot question contains the information provided in the political subdivision’s resolution and prohibits the ballot language from indicating that a “no” vote may result in an increase in property taxes.</p> <p>Requires each project be listed as a separate ballot question.</p> <p>Any project not approved by voters may not be funded by the tax, and DOR is required to proportionally reduce the total amount the political subdivision may collect as well as the duration of the tax.</p> <p>Prohibits the political subdivision from spending funds to advertise for passage of the tax, except what is necessary to provide information.</p> <p>Requires the political subdivision to send sample ballot language to DOR for approval.</p>	<p>Subd. 5. Voter approval required. Different.</p> <p>No restrictions on when the tax may be on a ballot at a special election.</p> <p>Ballot question requirements are similar, except that Senate requires acknowledgement of a state mandate that necessitates construction of a specified capital project, if the mandate is applicable. Senate requires a statement that a “no” vote may result in an increase in property taxes.</p> <p>Same.</p> <p>Same, regarding projects not approved by voters. No comparable provision regarding a reduction in the total amount that may be collected.</p> <p>Same, with a cross-reference to the prohibition in current law.</p> <p>No comparable provision.</p>
	<p>Subd. 13. Legislative approval required.</p> <p>Provides that if a political subdivision seeks to impose a tax that does not meet the requirements of this section, or if DOR does not approve a tax,</p>	<p>No comparable provision.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 6: Local Sales and Use Taxes	SENATE Article 6: Local Sales and Use Taxes
	<p>then the political subdivision must receive legislative approval to impose the tax.</p> <p>Requires the political subdivision to provide the legislature with its adopted resolution, a description of why the request does not meet the requirements of this section, and letters or resolutions from the governing bodies of each local government that abuts the political subdivision indicating their support for the tax.</p> <p>A tax approved by the legislature is subject to the requirements of section 297A.99, as well as the collection and retention provisions of this section in subdivisions 16 and 17.</p>	
	<p>Subd. 14. Filing and imposition requirements. Requires the governing bodies of a political subdivision imposing a tax under this section or special law to file a certificate of approval with the secretary of state. Requires the tax be imposed within 15 months of receiving voter approval.</p>	<p>Subd. 12. Filing and imposition requirements. Same, with minor language differences.</p>
	<p>Subd. 15. Administration; termination.</p> <p>Prohibits a political subdivision from commingling funds derived from a tax imposed under this section with funds derived from other local taxes.</p> <p>Requires that a political subdivision notify the commissioner of revenue at least 60 days prior to the anticipated date in which sufficient revenues are raised. Prohibits a political subdivision from imposing a new tax for at least one year after a current tax expires.</p> <p>Requires that if a political subdivision cancels a project after it has been approved by voters, the political subdivision must notify the commissioner and the commissioner must proportionately decrease the maximum amount of revenue the political subdivision may collect as well as the duration of the imposition of the tax. If revenue has already been collected for a cancelled project, the political subdivision must return the funds to the commissioner for deposit into the local sales tax equalization distribution account created under section 4 of this article. The political subdivision must use any other available source of revenues to pay outstanding debt on bonds that were issued for the canceled project.</p>	<p>Subd. 6. Administration; termination. Similar.</p> <p>Same.</p> <p>Same.</p> <p>Senate also requires the political subdivision to notify the commissioner within 30 days after the date sufficient revenues have been raised to fund approved projects.</p> <p>Similar. Subd. 5, paragraph (b). Senate requires the political subdivision to return excess funds to the commissioner for deposit to the general fund.</p> <p>Senate requires that when a tax is terminated because sufficient revenues have been raised, and before the quarterly termination required under current law, any amount collected that is greater than the average quarterly revenue collected over the last 12 months must be retained by the commissioner for deposit to the general fund.</p>
	<p>Subd. 16. Collection and retention. Requires the commissioner to quarterly remit the proceeds of a tax it collects back to the political subdivision.</p>	<p>No comparable provision.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 6: Local Sales and Use Taxes	SENATE Article 6: Local Sales and Use Taxes
	<p>Requires the commissioner to deduct from the proceeds:</p> <ul style="list-style-type: none"> ▪ one percent for DOR’s administrative costs, including the cost of maintaining a zip code database; ▪ one percent for the state auditor’s administrative costs; and ▪ the political subdivision’s contribution share of the local sales tax equalization distribution as specified in subdivision 17. <p>Requires the commissioner to deposit the withheld funds in the appropriate accounts.</p>	
	<p>Subd. 17. Contribution share. Specifies a political subdivision’s contribution share of the local sales tax equalization distribution. The percentages are as follows:</p> <ul style="list-style-type: none"> ▪ 15 percent for a tax authorized under this section; ▪ 15 percent for a tax imposed prior to July 1, 2024, that is amended, extended, or modified; or ▪ 20 percent for a new tax that is authorized by special law after July 1, 2024. 	<p>No comparable provision.</p>
	<p>Subd. 18. Enforcement. Requires the commissioner to expire the tax of a political subdivision that is not in compliance with the reporting requirements of section 5 or is improperly using the proceeds of the tax. The commissioner will receive notification from the state auditor of such political subdivision. Any revenue collected must be deposited into the local sales tax equalization distribution account</p>	<p>No comparable provision.</p>
	<p>Subd. 19. Accounts established; transfer. Establishes the local sales tax equalization distribution account and the state auditor service and recovery account in the special revenue fund.</p> <p>Requires funds in the state auditor service and recovery account to be transferred to the general fund each October 1 and requires funds in the local sales tax equalization distribution account to be used in accordance with section 6 of this article.</p>	<p>No comparable provision.</p>
	<p>Subd. 20. Other provisions apply. Requires other provisions of law apply to the taxes imposed under this section including the administrative and functional provisions of section 297A.99, the prevailing wage requirements of chapter 177, and the bond requirements of section 475.53.</p> <p>Effective the day following final enactment.</p>	<p>Subd. 10. Different. The administrative and functional provisions of section 297A.99 apply, but the prevailing wage requirement applies only to projects within the metropolitan area.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 6: Local Sales and Use Taxes	SENATE Article 6: Local Sales and Use Taxes
5	<p>Local sales taxes; verification and oversight.</p> <p>Subd. 1. Filing requirement. Requires that a political subdivision seeking to impose a tax file the necessary documentation as required by section 4 of this article with the commissioner of revenue by October 31.</p> <p>DOR must verify that the political subdivision’s proposal meets the statutory requirements by January 10. If DOR denies the political subdivision’s request, the political subdivision may seek legislative approval in accordance with section 297A.99.</p>	<p>Section 4. Local sales taxes; verification and oversight. Different.</p> <p>Senate requires filing the resolution and supporting documentation by October 31 of the year before the political subdivision seeks voter approval of the tax. Senate language applies only to local sales taxes authorized under section 3.</p> <p>DOR must notify whether the project included in the submission meets the requirements in applicable provisions of section 3 and must notify the political subdivision of its determination by January 10 of the year the political subdivision would seek voter approval of the tax.</p>
	<p>Subd. 2. Annual financial reporting. Requires a political subdivision imposing a tax under section 297A.9901 or by special law to submit information regarding the use of tax revenue to the state auditor by January 31 of each budget year. The state auditor will determine the form and manner of the reporting document. Allows the state auditor to examine records to verify the information provided.</p>	<p>No comparable provision.</p>
	<p>Subd. 3. Enforcement. Provides that if a political subdivision does not file the requested annual reports or if the state auditor finds that the political subdivision is misusing the tax proceeds, then the state auditor must notify the political subdivision which has 60 days to come into compliance or provide a response to the state auditor. If the political subdivision does not take corrective measures, then the state auditor must notify DOR. The state auditor must notify the legislative committees with jurisdiction over local taxes of any responses provided by a political subdivision.</p>	<p>No comparable provision.</p>
	<p>Subd. 4. Report. Requires the state auditor to send a report to the legislative committees with jurisdiction over local sales taxes summarizing the information provided by political subdivisions.</p> <p>Effective the day following final enactment.</p>	<p>No comparable provision.</p> <p>Same effective date.</p>
6	<p>Local sales tax equalization distributions.</p> <p>Subd. 1. Definitions. Provides the relevant definitions for the local sales tax equalization distributions. Importantly, this subdivision defines a “qualified recipient” as a political subdivision that imposed a local sales tax in the previous calendar year that contributes to the account, or did not impose a local sales tax in the previous calendar year.</p> <p>Subd. 2. Local sales tax revenue sharing required. Requires a political subdivision imposing a tax to contribute a percentage of the annual proceeds of the tax. Requires the commissioner to annually calculate each qualified recipient’s distribution share.</p>	<p>No comparable provision.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 6: Local Sales and Use Taxes	SENATE Article 6: Local Sales and Use Taxes
	<p>Subd. 3. Contribution share. States that each political subdivision’s contribution share is the percentage of its tax withheld by the commissioner as determined by section 4, subdivision 17 of this article.</p> <p>Subd. 4. Certification. Requires the commissioner to annually calculate and certify by January 31, each political subdivision’s contribution share and each qualified recipient’s distribution share based on local sales tax collected in the prior calendar year.</p> <p>Subd. 5. Settlement. Requires the commissioner to pay each qualified recipient by March 15 of each year.</p> <p>Subd. 6. Future contributions and payments. Provides that a political subdivision that has imposed a tax prior to July 1, 2024, can become a qualified recipient by:</p> <ul style="list-style-type: none"> ▪ modifying, increasing, or extending its current local tax; ▪ imposing a new local tax under section 297A.9901, or by special law; or ▪ expiring its current local tax. <p>Subd. 7. Appropriation. Annually appropriates the funds in the local sales tax equalization distribution account to the commissioner to make payments under this section.</p>	
7	<p>Office of the State Auditor; appropriation. Appropriates \$387,000 in FY 2025 from the general fund to the state auditor to implement section 5 of this article. Also provides a \$343,000 appropriation in FY 2026, and \$360,000 in FY 2027.</p>	
	No comparable provision.	<p>Section 5. Sales and use tax. (Hennepin County ballpark tax) Provides that the requirements of sections 3 and 4 do not apply to the imposition of the Hennepin County ballpark tax. Effective the day following final enactment.</p>
8	<p>Repealer. Repeals the temporary moratorium that prohibits new local sales taxes or modifications to existing local sales taxes until July 1, 2025. Effective the day following final enactment.</p>	<p>Section 6. Same.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 7: Special Local Taxes	SENATE No comparable article
1	<p>Authorization.</p> <p>States that local lodging taxes apply to the whole price of lodging charged to the customer, including services provided by accommodation intermediaries.</p> <p>Effective July 1, 2024.</p>	
2	<p>Collection.</p> <p>Allows a local government that collects its own lodging tax to choose to limit the required filing and remittance of the tax by accommodation intermediaries to once per year. Requires that the local government provide the intermediaries with geographic and zip code information needed to correctly assess the tax.</p> <p>Effective July 1, 2024.</p>	
3	<p>City of Minneapolis; liquor, lodging, and restaurant taxes.</p> <p>Lowers the rate of the food and beverage tax imposed in restaurants and bars in the downtown taxing area from three percent to 2.5 percent.</p> <p>Effective October 1, 2024.</p>	
4	<p>City of Minneapolis; downtown taxing area.</p> <p>Extends the northern boundaries of the downtown taxing area to include a portion of Plymouth Avenue North and a larger portion of the North Loop.</p> <p>Effective October 1, 2024.</p>	

Section	HOUSE Article 8: Public Finance	SENATE Article 7: Public Finance
1	<p>Review and comment.</p> <p>Modifies the school district projects that are exempt from mandatory review and comment by the commissioner of education. Projects that require expenditures of \$2,000,000 or less (or \$500,000 or less if the district has a capital loan outstanding) are also currently exempted from the review and comment requirement.</p>	<p>Section 1. Same</p>
2	<p>Publication.</p> <p>Extends the maximum time period for a school board to post summaries of the commissioner of education’s positive or unfavorable reviews and comments on certain projects, from 60 days before a bond referendum or solicitation of bids to 88 days. Provides that where no bond referendum is required, the public notice and meeting requirements regarding the commissioner’s review and comment do not apply.</p>	<p>Section 2. Same</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 8: Public Finance	SENATE Article 7: Public Finance
3	<p>Lease purchase; installment buys. Provides an exception to the mandatory review and comment requirements for certain school districts when they enter into installment contracts or lease purchase agreements, that matches the existing dollar limits described in section 1.</p>	<p>Section 3. Same</p>
4	<p>Definitions. Modifies the definition of “debt obligation” for purposes of providing state guarantees of certain obligations to include bonds and notes used by counties to fund the construction of court houses or justice centers, provided that they are connected to a jail, correctional, or other law enforcement facility.</p>	<p>Section 4. Same</p>
5	<p>Sections that apply if federal limit applies. Clarifies that the Minnesota Bond Allocation Act applies to private activity bonds issued by economic development authorities that are required under federal law to obtain an allocation of volume cap.</p>	<p>Section 5. Same</p>
6	<p>Application for residential rental projects. For residential rental project allocations from the unified pool, modifies the time period in which an issuer must permanently issue obligations from on or before 180 days of the allocation, to on or before the earlier of 180 days of the allocation or the last business day in December.</p>	<p>Section 6. Same</p>
7	<p>Application for all other types of qualified bonds. For all other allocations of qualified bonds other than residential rental bonds described in section 6, modifies the time period in which an issuer must permanently issue obligations from on or before 120 days of the allocation, to on or before the earlier of 120 days of the allocation or the last business day in December.</p>	<p>Section 7. Same</p>

Section	HOUSE Article 9: Miscellaneous	SENATE Article 8: Miscellaneous
1	<p>Taxpayer assistance grants; tax credit outreach grants. Defines “eligible credit,” “tax outreach organization,” “taxpayer assistance organization,” and “volunteer taxpayer assistance organization.” Requires DOR to regularly make grants to taxpayer assistance organizations and tax outreach organizations. Effective the day following final enactment.</p>	<p>Section 1. Similar. Senate language omits the word “regularly” when describing the process of making grants.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 9: Miscellaneous	SENATE Article 8: Miscellaneous
	<p>No comparable provision.</p>	<p>Section 2. Limitations; sales, corporate, and income taxes.</p> <p>Prohibits the commissioner from issuing assessments for additional income, corporate franchise, and sales taxes due if the following requirements are met.</p> <ul style="list-style-type: none"> ▪ The taxpayer was given erroneous advice in writing by an employee of the Department of Revenue acting in an official capacity if the advice was reasonably relied upon and included in a tax order or in response to a specific written request by the taxpayer and the advice was not the result of failure by the taxpayer to provide adequate or accurate information. This provision applies only to the reviewed sample population of data, if data sampling is used. ▪ For the taxable period beginning after the period described above, neither the statute or administrative rule on which the reporting or other practice is based has been materially changed, its interpretation has not been changed by a court decision, or there has been a federal adjustment of tax return, and the commissioner has not issued a revenue notice or directly notified the taxpayer, in writing, of the commissioner's position regarding the reporting or other treatment of the relevant income, transaction, deduction, credit, or other item of tax preference. This provision applies only to issues within the scope of and specifically addressed by the audit where the written order includes erroneous advice on those issues. <p>Effective for erroneous advice given to the taxpayer in writing after June 30, 2024.</p>
2	<p>Allocation of revenues.</p> <p>For fiscal year 2025 only, increases by \$1,821,000 the share of solid waste management tax proceeds that are credited to the environmental fund for certain county waste reduction and recycling programs.</p>	<p>Section 3. Similar.</p> <p>Senate increases the distribution for fiscal year 2025 only by \$3,252,000.</p>
3	<p>Lawful purpose.</p> <p>Creates a new lawful purpose expenditure for certain veterans organizations. Allows a qualifying veterans organization to use up to 50 percent of gross profits from the previous fiscal year for the repair, improvement, or maintenance of their real property. Allows unused allowances to carry forward for one fiscal year, so long as the organization identifies a planned project for which the carried forward funds will be used.</p> <p>Prohibits any funds to be used for new construction or building replacement.</p>	<p>No comparable provision.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 9: Miscellaneous	SENATE Article 8: Miscellaneous
	Effective the day following final enactment.	
4	<p>Definitions. (Land-value district) Defines terms for sections that allow cities to establish land-value taxation districts.</p> <p>Effective beginning with taxes payable in 2025.</p>	No comparable provision.
5	<p>Establishment of a land-value taxation district. Allows the governing body of a city to establish a land-value taxation district by ordinance.</p> <p>Effective beginning with taxes payable in 2025.</p>	No comparable provision.
6	<p>Restrictions on tax reallocation procedure. Allows cities to reallocate property taxes within a land-value taxation district on the basis of one or more of the following tax bases:</p> <ul style="list-style-type: none"> ▪ net tax capacity; ▪ referendum market value; ▪ a tax base which excludes the value of improvement (i.e., the value of the land only); or ▪ a tax base which excludes the value of improvements made to the property after a specified date. <p>Effective beginning with taxes payable in 2025.</p>	No comparable provision.
7	<p>Taxation within district. Requires a city with a land-value taxation district to compute the total property taxes imposed on all parcels within the district for each taxing jurisdiction, then reallocate the total property tax imposed on the parcels using the method established in the previous section.</p> <p>Effective beginning with taxes payable in 2025.</p>	No comparable provision.
8	<p>Appeal of land value. Allows owners of property in a land-value taxation district to appeal the valuation attributable to land separately from the valuation attributable to improvements on the land.</p> <p>Effective beginning with taxes payable in 2025.</p>	No comparable provision.
9	<p>Aid to cities for emerald ash borer financial assistance.</p> <p>Subd. 1. Definitions. Defines “eligible costs,” “eligible homeowner,” and “eligible local government.”</p> <p>Subd. 2. Aid program established; payment. Requires DOR to distribute aid to eligible local governments. Requires aid payments to be</p>	No comparable provision.

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 9: Miscellaneous	SENATE Article 8: Miscellaneous
	<p>certified by January 31, 2024, and paid by February 15, 2024.</p> <p>Subd. 3. Amount of aid. Requires DOR to establish a process to allocate aid payments, through a merit-based competitive grant program. The program must prioritize aid distributions based on the rate of emerald ash borer infestation on residential properties, the ability of residents to pay for tree removal and treatment, and population. Requires DOR to consult with the Department of Agriculture and the Department of Natural Resources.</p> <p>Subd. 4. Eligible uses. Allows eligible local governments receiving aid to use the funds to reimburse homeowners with incomes below 200 percent of the federal poverty guideline for tree removal or treatment.</p> <p>Subd. 5. Appropriation. Appropriates \$1,000,000 in fiscal year 2025 for aid payments.</p>	
10	<p>Appropriation; Anoka County Soil and Water Conservation District; grant. Provides a grant of \$50,000 in fiscal year 2025 to the Anoka County Soil and Water Conservation District. Effective the day following final enactment.</p>	<p>Article 2, section 25. Different. Senate provides a onetime \$2,000,000 appropriation in fiscal year 2025 for supplemental soil and water conservation district aid, which would be distributed among districts proportionally to their 2024 soil and water conservation aid award amounts. Requires Board of Water and Soil Resources to certify supplemental aid amounts before August 1, 2024, and the commissioner of revenue to make payments on December 26, 2024. Effective for aid payable in calendar year 2024.</p>
11	<p>Appropriation; Browerville Public Schools. Appropriates \$580,000 in fiscal year 2025 to Browerville Public Schools as a grant to be used for the cost of materials and supplies used in and equipment incorporated into renovations to a school building and related new construction. The grant must be paid by July 15, 2024, and is not subject to the administrative cost retention provisions of section 16B.98, subdivision 14.</p>	<p>Article 4, section 14. Different. Senate provides a refundable sales tax exemption for materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of renovations to the prekindergarten through grade 12 school building and construction of a new gymnasium, classrooms, locker rooms, a wrestling and weight room, offices, and a stage. Appropriates an amount sufficient to pay refunds from the 2024 sales tax refund account. Total refunds must not exceed \$580,000. Effective retroactively for sales and purchases made after December 31, 2023, and before January 1, 2026.</p>
12	<p>Appropriation; city of South St. Paul; grant. Provides a grant of \$100,000 in fiscal year 2024 to the city of South St. Paul for planning and development costs within the city. Effective the day following final enactment.</p>	<p>Section 5. Similar. Senate provides a grant of \$250,000.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 9: Miscellaneous	SENATE Article 8: Miscellaneous
13	<p>Appropriation; tax credit outreach grants; taxpayer assistance grants.</p> <p>Appropriates \$1,237,000 in fiscal year 2025 to DOR for tax credit outreach grants. The base for the appropriation is \$1,277,000 in fiscal year 2026 and \$1,289,000 in fiscal year 2027.</p> <p>Appropriates \$750,000 in fiscal year 2025 to DOR for taxpayer assistance grants.</p>	<p>Section 6. Similar.</p> <p>Senate appropriates \$1,000,000 in fiscal year 2025. Senate establishes base amounts of \$1,044,000 in fiscal year 2026 and \$1,045,000 in fiscal year 2027.</p>

Section	HOUSE Article 10: Department of Revenue; Individual Income and Corporate Franchise Taxes	SENATE Article 9: Department of Revenue; Individual Income and Corporate Franchise Taxes
1	<p>Credit allowed. (Film production credit)</p> <p>Conforming change for a provision enacted in 2023 that allows taxpayers to claim the film credit if their expenses were incurred in any consecutive 12-month period.</p> <p>Effective retroactively for tax year 2023 and later.</p>	<p>Section 1. Same.</p>
2	<p>Net income. (Delayed business interest; PTE tax)</p> <p>Amends the definition of “net income” to include the delayed business interest subtraction for composite and pass-through entity (PTE) filers.</p> <p>Deletes language requiring the income of both resident and nonresident owners of pass-through business to be apportioned, for purposes of determining the PTE tax. (The legislature enacted a provision in 2023 that allows 100 percent of the income of resident owners to be allocated to this state, not apportioned.)</p> <p>Effective retroactively for tax year 2023 and later.</p>	<p>Section 2. Same.</p>
	<p>No comparable provision.</p>	<p>Section 3. Social Security benefits.</p> <p>Corrects a cross-reference and clarifies that the threshold amounts in the simplified subtraction are adjusted for inflation. Effective retroactively for taxable years beginning after December 31, 2022.</p>
3	<p>Qualified retirement benefits.</p> <p>Clarifies that the public pension subtraction for “basic” pension plans applies to pensions earned based on service for which the member or survivor did not earn Social Security benefits.</p> <p>Effective the day following final enactment.</p>	<p>Section 4. Same.</p>
4	<p>Delayed business interest.</p> <p>Corrects a cross-reference to the corporate disallowed business interest deduction.</p>	<p>Section 5. Same.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 10: Department of Revenue; Individual Income and Corporate Franchise Taxes	SENATE Article 9: Department of Revenue; Individual Income and Corporate Franchise Taxes
	Effective retroactively for tax year 2020 and later.	
5	<p>Definitions. (Renter’s credit) Requires taxpayers to have claimed a dependent to claim the renter’s credit dependent exemption.</p> <p>Effective retroactively for tax year 2024 and later.</p>	Section 6. Same.
6	<p>Residents of nursing homes, intermediate care facilities, long-term care facilities, or facilities accepting housing support payments. (Renter’s credit) Modifies the calculation of “gross rent” for the renter’s credit, for claimants that had a portion of their rent paid for by medical assistance.</p> <p>Effective retroactively for tax year 2024 and later.</p>	Section 7. Same.
7	<p>One claimant per household. (Renter’s credit) Clarifies that married taxpayers filing joint returns can use rent paid by both spouses to claim the renter’s credit.</p> <p>Effective retroactively for tax year 2024 and later.</p>	Section 8. Same.
8	<p>Credit allowed; limitation; carryover. (Short line credit) Clarifies that short line credit payments cannot exceed the product of the number of qualifying miles of railroad track and \$3,000.</p> <p>Effective retroactively for tax year 2023 and later.</p>	Section 9. Same.
9	<p>Temporary additions and subtractions; individuals, estates, and trusts. Amends the temporary provisions of the 2023 conformity law to clarify that “net income” includes the delayed business interest addition for composite and pass-through entity filers.</p> <p>Effective retroactively at the same time the provisions adopted in the 2023 conformity bill were effective for federal purposes.</p>	Section 10. Same.

Section	HOUSE Article 11: Department of Revenue; Property Taxes and Local Government Aids	SENATE Article 10: Department of Revenue; Property Taxes and Local Government Aids
1	<p>Class 1. (Blind/disabled homestead property) Allows the value of class 1b property (blind/disabled homestead property) in excess of \$50,000 to be classified as 4d(2) community land trust property.</p>	Section 1. Same.

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 11: Department of Revenue; Property Taxes and Local Government Aids	SENATE Article 10: Department of Revenue; Property Taxes and Local Government Aids
	Effective for assessment year 2025 and later.	
2	<p>Procedure, conditions. (Abatements)</p> <p>Allows property owners applying for a reduction or abatement of property taxes to file using an individual taxpayer identification number (ITIN).</p> <p>Effective retroactively for abatement applications filed in 2023 and later.</p>	Section 2. Same.
3	<p>Administration. (Local affordable housing aid)</p> <p>Aligns the timing of local affordable housing aid with other aid programs.</p> <p>Effective with aids payable in 2024.</p>	Section 3. Same.

Section	HOUSE Article 12: Department of Revenue; Miscellaneous	SENATE Article 11: Department of Revenue; Miscellaneous
1	<p>Enforcement; administrative order; penalties; cease and desist.</p> <p>Lengthens the timelines for parties and the Office of Administrative hearings to act in a contested case proceeding regarding a cease and desist order or administrative penalty issued to a tax preparer. Provides that a contested case hearing begins with the issuance of a notice and order for the hearing.</p> <p>Effective for penalties assessed and orders issued after the day following final enactment.</p>	Section 1. Same.
2	<p>Return by qualified heirs. (Estate tax)</p> <p>For purposes of administering the recapture tax provisions for the qualified property subtractions, removes the requirement that a qualified heir file two returns with the commissioner—the qualified heir would be required to file the second return only.</p> <p>Effective the day following final enactment.</p>	Section 2. Same.
	No comparable provision.	<p>Section 3. Annual audit and certified inventory. (Lawful gambling)</p> <p>Amends Minnesota Statutes, section 297E.06, subdivision 4, to repeal the requirement that an organization licensed under chapter 349 (lawful gambling) perform and file an annual cash count report at the end of its fiscal year. The cash count report is not useful to the department for compliance purposes.</p> <p>Effective July 1, 2024.</p>

Comparison Summary of H.F. 5247 – House (H5247-3) / Senate (UEH5247-1)

Section	HOUSE Article 12: Department of Revenue; Miscellaneous	SENATE Article 11: Department of Revenue; Miscellaneous
3	<p>Film production credit.</p> <p>Extends the expiration date for the film credit under the premium tax to match the expiration date for the credit under the individual income and corporate franchise taxes enacted in 2023.</p> <p>Effective the day following final enactment.</p>	<p>Section 4. Same.</p>
4	<p>Extension of statute of limitations.</p> <p>Fixes a broken cross-reference in the 2023 tax conformity act (chapter 1).</p> <p>Effective retroactively at the same time the changes in the conformity bill were effective for federal purposes.</p>	<p>Section 5. Same.</p>