



Department of Revenue Overview – House Taxes Committee

January 17, 2023

Conformity Update

- The Legislature passed and Gov. Walz signed the bipartisan conformity bill on January 12.
- Since then, the department has already:
 - Published updated filing information on our website
 - Sent GovDelivery alerts to nearly 100,000 subscribers: individuals, businesses, tax preparers, and software providers
 - Published 125 newly updated tax forms and instructions, covering six different tax years, to our website
- Taxpayers will be able to start filing amended returns for prior year benefits as soon as the filing season begins
- Conformity changes that impact 2022 tax year will be included in the 2022 tax year forms and updated systems

Mission/Vision/Values

Purpose

Administer and enforce the assessment and collection of taxes

Mission

Working together to fund the future for all of Minnesota.

Vision

Everyone reports, pays, and receives the right amount: no more, no less.

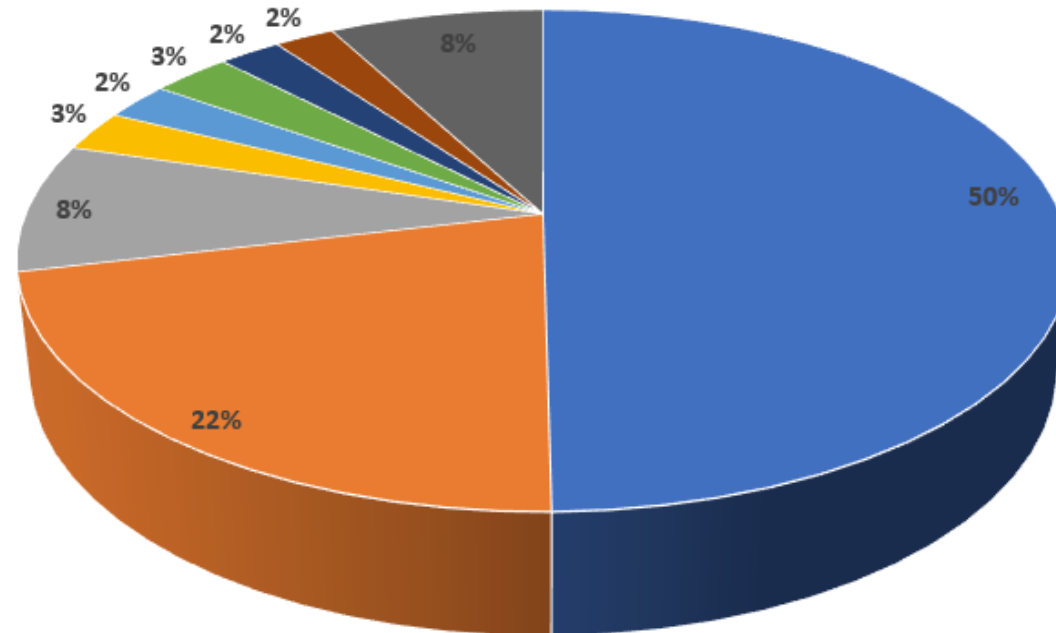
Values

Accountability, Excellence, Inclusion, Integrity, Partnership, and Service



Tax Revenue

The \$33 billion collected annually by the Department provides vital resources for services and programs around the state.



- Income Tax
- Sales Tax
- Corporate
- Gasoline and Fuels
- Motor Vehicle License Tax
- Motor Vehicle Sales Tax
- Statewide Property Tax
- Health Care Taxes
- All Other Taxes

- Tax revenue funds vital programs that benefit Minnesotans:
 - Education
 - Infrastructure
 - Healthcare & Public Health
 - Public Safety
 - Roads/bridges/transit
 - Natural Resources



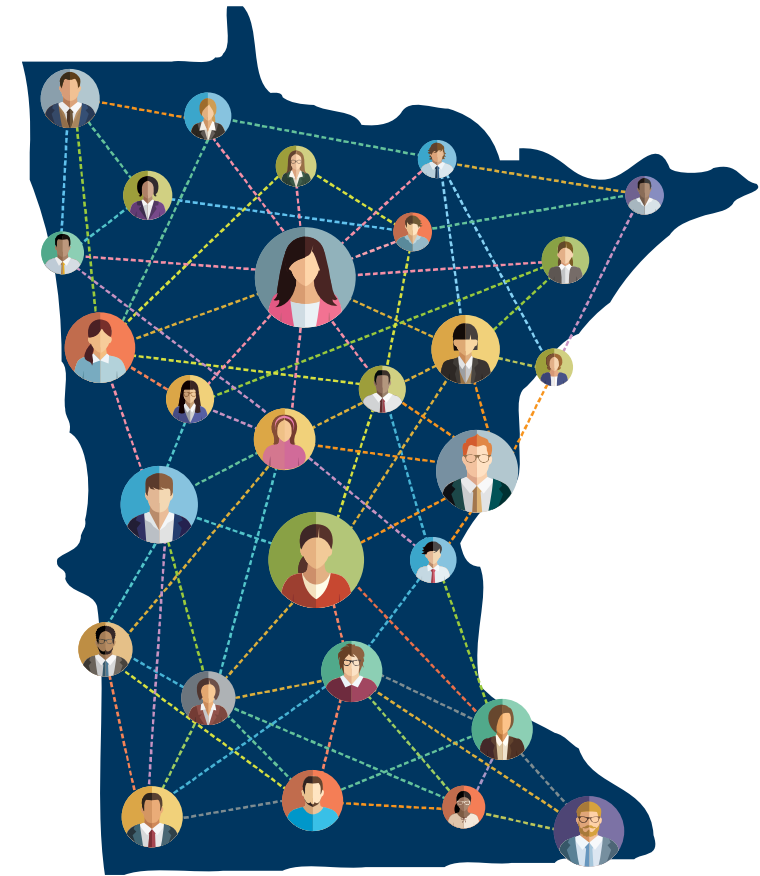
Tax Aids and Credits

- The Department also pays several types of aids and credits for Minnesotans:
 - Local Government Aid
 - Homeless Aid
 - County Program Aid
 - Tribal Aid
 - Renter's Property Tax and Homestead Credit Refunds

Who Do We Serve?

Our broad base of customers around the state

- All 87 counties
- 3.1 million individual income tax filers
- Over 800,000 property tax refund filers
- 800 licensed property tax assessors
- More than 500,000 businesses
- More than 300,000 sales tax filers
- More than 100 local cities and counties with local option sales taxes



Who Do We Serve?

- The Governor and Legislature
 - We consult and confer with the Governor regarding taxation
 - We recommend to the legislature appropriate changes in law necessary to help serve Minnesota taxpayers.



Who Do We Serve?

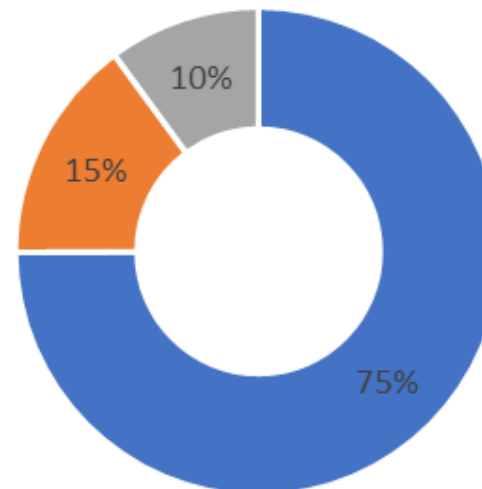
- Tax Committees
 - Our research division produces revenue estimates and the Tax Incidence Study to help inform Tax Committees
 - We also produce tax reports on many topics to help keep policymakers informed
 - Property Values and Agricultural Valuation and Classification
 - Adjusted Net Tax Capacity for School Districts
 - The Voss Report

Revenue by the Numbers

- More than 1,400 employees administering 30 different tax types.
- \$188 million annual budget

Department of Revenue Budget

■ Employee Cost ■ IT ■ Other Operating Expenses





Administering Minnesota's tax code

- **Help customers understand and meet their obligations under the law**
- **Many different tax types**
 - Individual Income
 - Property
 - Sales and Use
 - Corporate
 - Mineral
 - Lawful Gambling
 - Liquor
 - Tobacco
 - Petroleum
 - and more...

Enforcement through Education

- A large part of the department's role is helping customers understand their obligation and working to get – and keep – them in compliance.
- To do that, we provide education and outreach to customers through:
 - Training and Outreach events
 - Videos
 - Website content
 - Phone, emails, letters, and in-person customer contact

Communities and Taxpayers

- We work to inform taxpayers of tax law developments that impact them and ensure taxpayers receive the benefit of law changes, such as:
 - Unemployment Insurance Benefit/Paycheck Protection Program loan forgiveness subtractions
 - Conformity with Federal Changes
- We also have offices within Revenue dedicated to working with and assisting taxpayers:
 - Office of Public Engagement
 - Taxpayer Rights Advocate

- Virtual Private Network
- Multi-Factor Authentication
- Encryption
- GenTax



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Thank you!