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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2911

03/15/2023 Authored by Gomez
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; repealing June accelerated payments for certain taxes; repealing
1.3 penalty for underpayment of June accelerated payment; amending Minnesota
1.4 Statutes 2022, sections 287.12; 287.29, subdivision 1; repealing Minnesota Statutes
1.5 2022, sections 287.31, subdivision 3; 297F.09, subdivision 10; 297G.09, subdivision
1.6 9.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2022, section 287.12, is amended to read:

1.9 287.12 TAXES, HOW APPORTIONED.

1.10 (a) All taxes paid to the county treasurer under the provisions of sections 287.01 to
1.11 287.12 must be apportioned, 97 percent to the general fund of the state, and three percent
1.12 to the county revenue fund.

1.13 (b) On or before the 20th day of each month the county treasurer shall determine and
1.14 pay to the commissioner of revenue for deposit in the state treasury and credit to the general
1.15 fund the state's portion of the receipts from the mortgage registry tax during the preceding
1.16 month subject to the electronic payment requirements of section 270C.42. The county
1.17 treasurer shall provide any related reports requested by the commissioner of revenue.

1.18 (c) ~~Counties must remit the state's portion of the June receipts collected through June
1.19 25 and the estimated state's portion of the receipts to be collected during the remainder of
1.20 the month to the commissioner of revenue two business days before June 30 of each year.
1.21 The remaining amount of the June receipts is due on August 20.~~

1.22 EFFECTIVE DATE. This section is effective July 1, 2023.

2.1 Sec. 2. Minnesota Statutes 2022, section 287.29, subdivision 1, is amended to read:

2.2 Subdivision 1. **Appointment and payment of tax proceeds.** (a) The proceeds of the  
2.3 taxes levied and collected under sections 287.21 to 287.385 must be apportioned, 97 percent  
2.4 to the general fund of the state, and three percent to the county revenue fund.

2.5 (b) On or before the 20th day of each month, the county treasurer shall determine and  
2.6 pay to the commissioner of revenue for deposit in the state treasury and credit to the general  
2.7 fund the state's portion of the receipts for deed tax from the preceding month subject to the  
2.8 electronic transfer requirements of section 270C.42. The county treasurer shall provide any  
2.9 related reports requested by the commissioner of revenue.

2.10 ~~(c) Counties must remit the state's portion of the June receipts collected through June~~  
2.11 ~~25 and the estimated state's portion of the receipts to be collected during the remainder of~~  
2.12 ~~the month to the commissioner of revenue two business days before June 30 of each year.~~  
2.13 ~~The remaining amount of the June receipts is due on August 20.~~

2.14 **EFFECTIVE DATE.** This section is effective July 1, 2023.

2.15 Sec. 3. **REPEALER.**

2.16 Minnesota Statutes 2022, sections 287.31, subdivision 3; 297F.09, subdivision 10; and  
2.17 297G.09, subdivision 9, are repealed.

2.18 **EFFECTIVE DATE.** This section is effective July 1, 2023.

**287.31 VIOLATIONS; CIVIL PENALTIES.**

Subd. 3. **Underpayments of accelerated payment of June tax receipts.** If a county fails to timely remit the state portion of the actual June tax receipts at the time required by section 287.12 or 287.29, the county shall pay a penalty equal to ten percent of the state portion of actual June receipts less the amount remitted to the commissioner of revenue in June. The penalty must not be imposed, however, if the amount remitted in June equals either:

- (1) 90 percent of the state's portion of the preceding May's receipts; or
- (2) 90 percent of the average monthly amount of the state's portion for the previous calendar year.

**297F.09 RETURNS; PAYMENT OF TAX.**

Subd. 10. **Accelerated tax payment.** A cigarette distributor, tobacco products distributor, retailer, or out-of-state retailer having a liability of \$250,000 or more during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner:

(a) Two business days before June 30 of calendar year 2021, the distributor shall remit the actual May liability and 87.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner. Two business days before June 30 of calendar year 2022 and each calendar year thereafter, the distributor must remit the actual May liability and 84.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner.

(b) On or before August 18 of the year, the distributor, retailer, or out-of-state retailer shall submit a return showing the actual June liability and pay any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June, less the amount remitted in June. However, the penalty is not imposed if the amount remitted in June equals:

- (1) for calendar year 2021, the lesser of 87.5 percent of the actual June liability for that calendar year or 87.5 percent of the May liability for that calendar year; or
- (2) for calendar year 2022 and each calendar year thereafter, the lesser of 84.5 percent of the actual June liability for that calendar year or 84.5 percent of the May liability for that calendar year.

**297G.09 RETURNS; PAYMENT OF TAX.**

Subd. 9. **Accelerated tax payment; penalty.** A person liable for tax under this chapter having a liability of \$250,000 or more during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner:

(a) Two business days before June 30 of calendar year 2021, the taxpayer shall remit the actual May liability and 87.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner. Two business days before June 30 of calendar year 2022 and each calendar year thereafter, the distributor must remit the actual May liability and 84.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner.

(b) On or before August 18 of the year, the taxpayer shall submit a return showing the actual June liability and pay any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June less the amount remitted in June. However, the penalty is not imposed if the amount remitted in June equals:

- (1) for calendar year 2021, the lesser of 87.5 percent of the actual June liability for that calendar year or 87.5 percent of the May liability for that calendar year; or
- (2) for calendar year 2022 and each calendar year thereafter, the lesser of 84.5 percent of the actual June liability for that calendar year or 84.5 percent of the May liability for that calendar year.