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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4934

03/14/2024 Authored by Norris and Davids 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; providing that the commissioner of revenue is bound by Tax
1.3 Court opinions; amending Minnesota Statutes 2022, sections 270C.07, subdivision
1.4 1; 270C.33, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2022, section 270C.07, subdivision 1, is amended to read:

1.7 Subdivision 1. Authority; limitation. (a) The commissioner may make, adopt, and
1.8 publish interpretive revenue notices. A "revenue notice" is a policy statement that has been
1.9 published pursuant to subdivision 5 and that provides interpretation, details, or supplementary
1.10 information concerning the application of state revenue laws or rules promulgated by the
1.11 commissioner. Revenue notices are published for the information and guidance of taxpayers,
1.12 local government officials, the department, and others concerned.

1.13 (b) Unless the commissioner has complied with the requirements of paragraph (c), the
1.14 commissioner is bound by decisions issued by the Tax Court pursuant to section 271.08
1.15 that are not timely appealed and overturned or otherwise distinguished by the Minnesota
1.16 Supreme Court or other court to which Tax Court decisions may be appealed as allowed
1.17 under section 271.01, subdivision 5.

1.18 (c) If the commissioner intends to not follow a decision issued by the Tax Court, the
1.19 commissioner must:

1.20 (1) within 60 days of the decision, provide notice on the Department of Revenue website
1.21 that the commissioner does not intend to follow the decision; and

2.1 (2) within 180 days of the decision, publish a revenue notice describing the  
2.2 commissioner's intended interpretation and administration of the statute or statutes at issue  
2.3 in the decision, and the commissioner's rationale for not following the decision.

2.4 **EFFECTIVE DATE.** This section is effective for decisions by the Tax Court issued  
2.5 the day following final enactment.

2.6 Sec. 2. Minnesota Statutes 2022, section 270C.33, is amended by adding a subdivision to  
2.7 read:

2.8 Subd. 4a. **Limitations on assessment.** (a) Unless the commissioner has complied with  
2.9 the requirement of section 270C.07, subdivision 1, paragraph (c), the commissioner is bound  
2.10 by decisions issued by the Tax Court pursuant to section 271.08 that are not timely appealed  
2.11 and overturned or otherwise distinguished by the Minnesota Supreme Court or other court  
2.12 to which Tax Court decisions may be appealed as allowed under section 271.01, subdivision  
2.13 5.

2.14 (b) If the commissioner has not complied with the requirements of section 270C.07,  
2.15 subdivision 1, paragraph (c), the commissioner must not issue an order of assessment of  
2.16 additional tax if the assessment is inconsistent with or in contravention of a decision issued  
2.17 by the Tax Court pursuant to section 271.08, and the decision is not overturned or  
2.18 distinguished by the Minnesota Supreme Court or other court to which Tax Court decisions  
2.19 may be appealed under section 271.01, subdivision 5.

2.20 **EFFECTIVE DATE.** This section is effective for decisions by the Tax Court issued  
2.21 the day following final enactment.