2021 DEPARTMENT OF REVENUE
GOVERNOR'S BILL SUMMARY

DEPARTMENT OF REVENUE

Appeals and Legal Services Division
600 North Robert Street
Saint Paul, Minnesota 55146-2220

SF961/HF991

ARTICLE 1: INDIVIDUAL INCOME, CORPORATE FRANCHISE, AND ESTATE TAXES

Sections 1 and 2. Angel investment tax credit. Amends Minn. Stat, § 116J.8737, subd. 5, to authorize the commissioner of employment and economic development to allocate up to $7,000,000 of tax credits to qualified investors for investments made in calendar year 2022. Amends Minn. Stat. §116J.8737, subd. 12, to delay the sunset of the angel investment tax credit for one more year through 2022. Effective the day following final enactment.

Sections. 3, 8, 12, 20, 21, and 24. Domestic Production Activities of Cooperatives. Amends Minn. Stat. §§ 289A.08, subd. 7(j); 290.0131 by adding subd. 20; 290.0133 by adding subd. 16; 290A.03, subd. 3 by adding subitem (xviii); 290.06, subd. 2c(e)(2); 290.0674, subd. 2a(xiii); and 290.091, subd. 2(a)(6) to reinstate an addition for state income tax purposes for individuals and corporations for domestic production activities of cooperatives that had been repealed as part of the Tax Cuts and Jobs Act with the repeal of Internal Revenue Code section 199; only to be reinstated retroactively by the CARES Act for specified agricultural and horticultural cooperatives in section 199A(g) of the Internal Revenue Code. Cross references are also updated for the property tax refund, composite return filers and alternative minimum tax. No addition was required for estates and trusts since current law already provides an addition for section 199A of the Internal Revenue Code. This section is effective for taxable years beginning after December 31, 2020.

Sections 3, 14, and 21. Capital Gains. Creates Minn. Stat. § 290.055 to impose an additional income tax for individuals, estates and trusts on "preferential rate income" over $500,000 at 1.5 percent and $1,000,000 at 4 percent. Preferential rate income is specifically defined to include only net long-term capital gain as defined by section 1222 of the Internal Revenue Code and qualified dividend income as defined by section 1(h)(11)(B) of the Internal Revenue Code. Preferential rate income is taxed at a lower preferential rate federally and this tax, therefore acts as a surcharge that equalizes this preference. This tax is included as a "regular tax" for purposes of calculating the alternative minimum tax under section 290.091. Providing allocation rules for nonresidents and part year residents as well as estates and trusts and composite filers under section 289A.08, subd. 7(b). These sections are effective for taxable years beginning after December 31,2020.

Sections 4 and 25. Minnesota Taxable Estate. Amends Minn. Stat. § 289A.10, subd. 1, and Minn. Stat. § 291.016, subd. 3(b), to reduce the estate tax exclusion to $2.7 million. Effective retroactively for estates of decedents dying after December 31, 2020.

Sections 5 and 26. Resident Trust. Section 5 amends Minn. Stat. § 290.01, by adding subd. 7c, which provides a new definition of "resident trust." This definition conforms to the minimum connections test under the Due Process Clause as that test was recently articulated by the Minnesota Supreme Court in *Fielding* and the U.S. Supreme Court in *Kaestner*. Section 26 repeals Minn. Stat. § 290.01, subd. 7b, which contains the current definition of "resident trust." Sections 5 and 26 are effective for taxable years beginning after December 31, 2020.

Section 6. Losses. Amends Minn. Stat. § 290.0122, subd. 8, to make clear that losses entered into for profit, but not associated with a trade or business as defined in section 165(c)(2) and Internal Revenue Code, are deductible as an itemized deduction. These losses were deductible prior to the codification of this section in 2019. This section is effective day following final enactment, except that the reference to paragraph (2) of section 165(c) of the Internal Revenue Code is effective retroactively for taxable years beginning after December 31,2018.

Sections 7, 9 through 11, 13, 22, 23 and 26. Previously taxed deferred foreign income.

- **Section 7 and 11.** Amends Minn. Stat. § 290.0131, to add subd. 19, and Minn. Stat. § 290.0133, to add subd. 15, to make any income, previously taxed under sections 951A or 965 of the Internal Revenue Code, that is actually repatriated an addition for Minnesota tax purposes. Effective retroactively for taxable years beginning after December 31, 2015, except the changes incorporated by federal changes are effective retroactively at the same time the changes became effective for federal purposes.

- **Sections 9 and 13.** Amends Minn. Stat. § 290.0132, subd. 27, and Minn. Stat. § 290.0134, subd. 18, to clarify the amount of deferred foreign income under 965 of the Internal Revenue Code is a subtraction. Effective retroactively for taxable years beginning after December 31, 2015, except the changes incorporated by federal changes are effective retroactively at the same time the changes became effective for federal purposes.

- **Section 10.** Amends Minn. Stat. § 290.0133, subd. 6, to clarify that the amount of any special deductions under section 241 to 247, and 250 of the Internal Revenue Code is an addition. Effective retroactively for taxable years beginning after December 31, 2015, except the changes incorporated by federal changes are effective retroactively at the same time the changes became effective for federal purposes.

- **Sections 22 and 23.** Section 22 amends Minn. Stat. § 290.21, subd. 9 to make the net income of a corporation that is included pursuant to section 951 of the Internal Revenue Code dividend income. Effective the day following final enactment. Section 23 amends Minn. Stat. § 290.21, to add subd. 10, to clarify that the amount included under section

290.0133, subd. 15, is dividend income. Effective retroactively for taxable years beginning after December 31, 2015.

- **Section 26. Repealer.** Repeals Minn. Stat. § 290.01, subd. 19i, which defines the term "deferred foreign income," and repeals Minn. Stat. § 290.0131, subd. 18, which provides that for trusts and estates, the amount of any special deduction under section 250 or 965 of the Internal Revenue Code is an addition, to the extent not included in taxable income. Effective retroactively for taxable years beginning after December 31, 2015.

Section 15. Computation, corporations. Amends Minn. Stat. § 290.06, subd. 1, to increase the corporate franchise tax rate from 9.8% to 11.25%. Effective for taxable years beginning after December 31, 2020.

Section 16. 5th Tier. Amends Minn. Stat. § 290.06 subd. 2c, by adding a fifth income tax tier that will tax income over a certain threshold at 10.85 percent. For taxpayers filing as unmarried individuals and those filing married filing separately, the fifth tier taxes all income over $500,000 at 10.85 percent; for taxpayers filing married filing jointly or as a surviving spouse the fifth tier taxes income over $1,000,000 at 10.85 percent; for taxpayers filing as head of household the fifth tier taxes income over $750,000 at 10.85 percent. This section is effective for taxable years beginning after December 31, 2020.

Section 16. 1st and 2nd Tier Expansion. Amends Minn. Stat. § 290.06, subd. 2c, by raising the threshold of the first income tax tier but maintaining the ceiling of the second tier thereby exempting more income from taxation and moving the remaining income from the second tier to the first tier. For taxpayers filing as unmarried individuals the first tier threshold is raised from $27,230 to $29,270; for taxpayers filing married filing jointly or as a surviving spouse the first tier threshold is raised from $39,810 to $42,800, for taxpayers filing married filing separately the first tier threshold is raised from $19,905 to $21,400; and for taxpayers filing head of household the first tier threshold is raised from $33,520 to $36,030. This section is effective for taxable years beginning after December 31, 2020.

Section 17. Inflation Adjustment. Amends Minn. Stat. § 290.06, subd 2d, the statutory year from 2019 to 2021 since the brackets have been adjusted for inflation and do not need to be adjusted again until taxable years beginning after December 31, 2021. This section is effective for taxable years beginning after December 31, 2021.

Section 18. Working Family Credit. Amends Minn. Stat. § 290.0671, subd. 1, to expand the credit by increasing the percentage of income eligible for the credit but limiting the expansion to those already eligible for the credit. This is achieved by raising the percent of income eligible for the credit while at the same time raising the threshold of the phase-out. For individuals with no qualifying children, the percentage of income available for the credit is raised from 3.9 percent to 4.6 percent while the credit is reduced by 2.3 percent from 2.0 percent for income in excess of the phaseout threshold. For individuals with one qualifying child the percentage is increased from 9.35 percent to 11 percent, while the credit is reduced by 7 percent from 6 percent for income in excess of the phaseout threshold. For individuals with two qualifying children the percentage is increased from 11 percent to 13 percent, while the credit is reduced by12.3 percent from 10.5 percent for income in excess of the phaseout threshold. For individuals with three or more qualifying children, the percentage is increased from 12.5 percent to 14.8 percent while the credit is reduced by 12.3 percent from 10.5 percent for income in excess of the phaseout threshold. This section is effective for taxable years beginning after December 31, 2020.

Sections 18 and 19. Working Family Credit. Amends Minn. Stat. §290.0671, subds. 1 and 1a, to allow taxpayers and a "qualifying child" that have an individual taxpayer identification number ("ITIN") but not a social security number to be eligible to claim the working family credit, and be counted as a qualifying child respectively, as long as the ITIN is provided and all other requirements for the credit are met. This section is effective for taxable years beginning after December 31, 2020.

ARTICLE 2: VAPOR AND TOBACCO TAXES

Section 1. Delivery Sale. Amends Minn. Stat. § 297F.01, by adding a new subd. 7a, to clarify that "delivery sale" has the same meaning given in section 325F.781, subd. 1. Effective January 1, 2022.

Section 2. Heat Device. Amends Minn. Stat. § 297F.01, to create subd. 7b, to define the term "heat device." A "heat device" is an electronic device used with a cigarette to produce a vapor or aerosol. A "heat device" includes components, parts, accessories, apparel, and other items that are packaged with, connected to, attached to, or contained within the device. Effective January 1, 2022.

Section 3. Tobacco Products. Amends Minn. Stat. § 297F.01, subd. 19, to add "heat devices" to the definition of "tobacco products." Effective January 1, 2022.

Section 4. Nicotine Solution Products. Amends Minn. Stat. § 297F.01, subd. 22b, to add additional terms commonly used for nicotine solution product devices, and to include the devices in the definition of nicotine solution products regardless of whether they are sold with a solution containing nicotine. The amendment also provides that nicotine solution products include components, parts, accessories, apparel, and other items that are packaged with, connected to, attached to, or contained within the device. Effective January 1, 2022.

Section 5. Wholesale Sales Price. Amends Minn. Stat. § 297F.01, subd. 23, to clarify that the price of any items within a kit that includes a solution containing nicotine is included in the wholesale sales price. In addition, adds paragraph (c) to provide that the price of any items included in a heat device kit are included in the wholesale sales price. Effective for kits purchased by distributors after December 31, 2021.

Section 6. Registration requirement. Amends Minn. Stat. § 297F.031, to clarify that the registration requirement applicable to out-of-state retailers applies prior to making delivery sales. Effective for all delivery sales occurring after December 31, 2021.

Section 7. Cigarette Tax Rate. Amends Minn. Stat. § 297F.05, subd. 1, to increase the cigarette excise tax from $3.04 per pack of twenty cigarettes to $4.04 per pack. The minimum tax on containers of moist snuff will also increase to $4.04 dollars per container. Effective July 1, 2021.

Section 8. Retailer collection and remittance of use tax. Amends Minn. Stat. § 297F.05, by adding a new subd. 4b, that requires retailers and out-of-state retailers to: 1) collect and pay any use tax imposed by Minn. Stat. § 297F.05; and 2) give the purchaser a receipt for tax paid. Effective for all delivery sales occurring after December 31, 2021.

Section 9. Use tax return. Amends Minn. Stat. § 297F.09, subd. 3, to require retailers and out-of-state retailers that make delivery sales to file a monthly tax return accompanied by the full unpaid tax liability. Effective for all delivery sales occurring after December 31, 2021.

Section 10. Reporting requirements. Amends Minn. Stat. § 297F.09, subd. 4a, by requiring retailers and out-of-state retailers that make a delivery sale to file monthly reports. This section also clarifies that retailers and out-of-state retailers can meet requirements of Minn. Stat. § 297F.09, subd. 4a, by: 1) meeting certain federal law requirements; and 2) filing a return under Minn. Stat. § 297F.09, subd. 3(b). Effective for all delivery sales occurring after December 31, 2021.

Section 11. Electronic payment. Amends Minn. Stat. § 297F.09, subd. 7, by requiring retailers and out-of-state retailers having a liability of $10,000 or more during a fiscal year ending June 30 to remit all liabilities in all subsequent calendar years by electronic means. Effective for all delivery sales occurring after December 31, 2021.

Section 12. Accelerated tax payment. Amends Minn. Stat. § 297F.09, subd. 10, by requiring retailers and out-of-state retailers to meet the accelerated tax payment requirements found in Minn. Stat. § 297F.09, subd. 10, that are applicable to delivery sales occurring after December 31, 2021. Effective for all delivery sales occurring after December 31, 2021.

Section 13. Nicotine Solution Product and Heat Device Retail Gross Receipts Tax. Amends Chapter 297F to add section 297F.26 to create a 35 percent tax on retail gross receipts from the retail sales of nicotine solution products and heat devices.

Subdivision 1 creates definitions for the terms “gross receipts,” “retail sale,” and “retailer.”

Subdivision 2(a) provides that the tax is imposed on nicotine solution products, heat devices, and kits.

Subdivision 2(b) provides for a use tax on consumers on nicotine solution products, heat devices, and kits, and subdivision 2(c) provides that retailers with nexus in Minnesota are required to collect and remit use tax imposed on the consumer.

Subdivision 2(d) provides that a retailer may collect the gross receipts tax from the purchaser as long as the tax is separately stated on the receipt.

Subdivision 2(e) provides the reporting and payment requirements.

Subdivision 2(f) provides the administrative provisions related to the tax including the audit, assessment, and enforcement provisions.

Subdivision 2(g) provides that the gross receipts retail tax is in addition to any other taxes, such as sales tax, imposed on the sale or use of nicotine solution products and heat devices.

Subdivision 3 provides the relevant exemptions to the gross receipts tax, which include products approved by the FDA for sale as tobacco cessation products, tobacco dependence products, or for other medical purposes as long as those products are being marketed and sold solely for their approved purpose. Gross receipts that are prohibited from being taxed under the U.S. Constitution or federal law are also exempt.

Effective for all retail sales occurring after December 31, 2021, and for all product received for use or storage in Minnesota after December 31, 2021.

Section 14. Definitions. Amends Minn. Stat. § 325F.781, subd. 1, to modify the definition of "tobacco products." "Tobacco products" are "cigarettes" and "tobacco products" as defined in section 297F.01. Effective January 1, 2022.

Section 15. Registration requirement. Amends Minn. Stat. § 325F.781, subd. 5, to clarify that the registration requirement applies to out-of-state retailers making delivery sales. In addition, this section clarifies that Minn. Stat. § 297F.031 imposes a registration requirement. Effective for all delivery sales occurring after December 31, 2021.

Section 16. Collection of taxes. Amends Minn. Stat. § 325F.781, subd. 6(a), by requiring retailers making delivery sales to file all returns and reports, collect and pay all taxes, and maintain all records required under Chapter 297F. In addition, this section amends Minn. Stat. § 325F.781, subd. 6(b), by imposing a penalty of 50 percent of tax due but unpaid on retailers making delivery sales who fail to pay tax due under chapter 297F. Effective for all delivery sales occurring after December 31, 2021.

Section 17. Floor Stocks Tax. This uncodified provision creates a floor stocks tax of $1.00 per pack of 20 cigarettes, plus the additional cigarette sales tax determined by an adjustment to the weighted average retail price which reflects the price including the floor stocks tax. These taxes are imposed on all persons engaged in the business of selling cigarettes in this state as distributors, retailers, subjobbers, vendors, manufacturers, or manufacturer's representatives who have cigarettes in packages upon which a stamp is affixed and unaffixed stamps in their possession on July 1, 2021. For packs of cigarettes with other than 20 cigarettes, the taxes are adjusted proportionally. By July 11, 2021, all persons subject to the tax must file a form with the commissioner showing the number of cigarettes or unaffixed stamps in their possession on July 1. The tax is payable to the commissioner by September 7, 2021. All floor stocks tax revenues go into the general fund. Effective July 1, 2021.

Section 18. Interim cigarette sales tax. This uncodified provision requires the commissioner to adjust the weighted average retail price of cigarettes on July 1, 2021, which will be used to calculate the cigarette sales tax rate imposed July 1, 2021, through December 31, 2021. On

January 1, 2022, the commissioner will resume annual adjustments to the weighted average retail price, occurring January 1 of each calendar year. Effective July 1, 2021.

ARTICLE 3: SALES AND USE TAX

Sections 1 and 3. Qualified data centers. Amends Minn. Stat. § 297A.68, subd. 42, as follows:

Exempts computer software loaded at a data center, when purchased for use in a qualified data center or qualified refurbished data center, as follows:

- For the data centers that have a first qualifying purchase between July 1, 2012, and June 30, 2016, of either the enterprise information technology equipment or the computer software, the amendment
    - Retains the 100% exemption for purchases of computer software loaded at the data center where either the original software or the original software license remains on the equipment at the data center, with the exemption ending with the last purchase prior to July 1, 2021.
- For the data centers that have a first qualifying purchase after June 30, 2021, of either the enterprise information technology equipment or the computer software, the amendment
    - Exempts all computer software loaded at the data center;
    - Limits the computer software exemption to software purchased within five years from the first qualifying purchase of either the equipment or software, or by June 30, 2042, whichever is earlier; and
    - Limits the refund on the software to 50% of the tax paid.
- For the data centers that have a first qualifying purchase between July 1, 2016, and June 30, 2021, of either the enterprise information technology equipment or the computer software, the amendment
    - For purchases prior to July 1, 2021, retains the 100% exemption for purchases of computer software loaded at the data center where either the original software or the original software license remains on the equipment at the data center.
    - For purchases after June 30, 2021, limits the refund on software to 50% of tax paid on all software loaded at the data center, for software purchased within five years from the first qualifying purchase of either the equipment or software, or by June 30, 2042, whichever is earlier.
- Also clarifies that computer software maintenance agreements are exempt only if they are purchased for exempt software; that for purposes of the investment and square footage criteria, "computer software" includes both software exempted by this subdivision and customized software; and that the exemptions apply for only one qualifying period for each data center location.

The amendment retains the 100% exemption of purchases of equipment and electricity for the earlier of 20 years from the first qualifying purchase or by June 30, 2042, whichever is earlier.

Effective for sales and purchases made after June 30, 2021, except that the provisions relating to sales and purchases of software made after June 30, 2012, and prior to July 1, 2021, are effective retroactively to the date of the first qualifying purchase of equipment or software.

Also amends Minn. Stat. § 297A.75, subd. 2, consistent with the 50% refund language in Minn. Stat. § 297A.68, subd. 42. Effective the day following final enactment.

Section 2. Fund-raising sales by school organizations. Amends Minn. Stat. § 297A.70, subd. 13, so that the sales tax exemption under paragraph (a)(1) for fund-raising sales will apply to school organizations for extracurricular activities, notwithstanding the proceeds are recorded in the same manner as other revenues or expenditures of the school district under Minn. Stat. § 123B.49, subd. 4. The exemption will apply as long as (1) the sales are made for the fund-raising purposes of an organization of elementary or secondary school students for the purpose of carrying on sports, educational, or other extracurricular activities; and (2) the school district reserves the revenues raised for use in extracurricular activities and only spends the revenue raised by a particular activity for that activity. This amendment resolves the unintended consequence of a 2019 amendment to Minn. Stat. § 123B.49, subd. 4, which requires all funds from extracurricular activities to be deposited with the school district. Effective for sales and purchases made after the date of final enactment.

ARTICLE 4: PROPERTY TAXES AND LOCAL GOVERNMENT AIDS

Sections 1 and 10. County assessors; homestead classification and renter credit. Amends Minn. Stat. § 270B.12, subd. 8, and 290A.25 to allow the commissioner to disclose names and individual taxpayer identification numbers of individuals who have applied for both homestead classification under section 273.13 and a property tax refund as a renter under chapter 290A for the purpose of and to the extent necessary to administer section 290A.25. Section 1 is effective for allowed disclosures made in 2021 and thereafter. Section 10 is effective for lists furnished by the commissioner of revenue to county assessors in 2021 and thereafter.

Section 2. County assessors; homestead application, determination, and income tax status. Amends Minn. Stat. § 270B.12, subd. 9, to allow the commissioner to disclose the person's name, address, and individual taxpayer identification number, if the commissioner determines that a person is a Minnesota nonresident or part-year resident for income tax purposes as a result of an audit, to the assessor of any political subdivision in the state, when there is reason to believe that the person may have claimed or received homestead property tax benefits for a corresponding assessment year in regard to property apparently located in the assessor's jurisdiction. Effective for allowed disclosures made in 2021 and thereafter.

Sections 3 through 7, and 9. Homestead Application. Amends Minn. Stat. §§ 273.124, subds. 13, 13c, 13d, and 14; 273.1245, subd. 1; and 273.1315, subd. 2; by allowing property owners to qualify for homestead classification by providing an individual taxpayer identification number (ITIN) on a homestead application, in lieu of a Social Security number. Effective for applications for homestead filed in 2021 and thereafter, except the amendments to Minn. Stat. § 273.124, subds. 13c and 13d, which are effective for homestead data provided to the commissioner in 2022 and thereafter.

Section 8 and 12. Sustainable Forest Incentive Act; Exception to 10-acre split-classification rule. Minn. Stat. § 273.13, subd. 23, is amended to provide that when a parcel of at least 20 acres is enrolled in the Sustainable Forest Incentive Act program and the parcel has been improved with a structure that is not a minor, ancillary nonresidential structure, the number of acres assigned to the split parcel is equal to three or the number of acres excluded from the Sustainable Forest Incentive Act covenant, whichever is greater. Effective for assessment year 2022 and thereafter.

An uncodified provision provides that land that was split-classified pursuant to the 10-acre split-classification rule under Minn. Stat. § 273.13, subd. 23, while enrolled in the Sustainable Forest Incentive Act program is not in violation of the conditions of enrollment if the minor, ancillary nonresidential structure was identified, and the appropriate acreage was excluded, on the Sustainable Forest Incentive Act covenant at the time of enrollment. Effective for determinations of violations of the conditions of enrollment after June 30, 2021.

Section 11. Commissioner's responsibilities for state aids. Minn. Stat. § 477A.014 is amended to apply the commissioner's authority to correct state aid calculation or payment errors to all aid programs under Chapter 477A. Subdivision 3 provides that the commissioner must recertify the state aid amounts if an error is discovered in the factors used to calculate the amounts. If the amount originally certified is less than what the political subdivision is entitled to, the commissioner must pay the full, correct amount. If the amount originally certified is more than what the political subdivision is entitled to, the commissioner must pay the originally certified amount and deduct the difference between the certified and corrected amounts from aid payable in the next subsequent year. Subdivision 3 is also amended to provide the commissioner with authority to correct any erroneous aid payment, including through use of a payment plan. Effective for aids payable in 2022 and thereafter.

ARTICLE 5: MISCELLANEOUS TAXES AND TAX PROVISIONS

Section 1. Stadium Reserve Account. Amends Minn. Stat. § 297E.021, subd. 4, to cap the balance of the stadium reserve account in the general fund at $100 million.

Sections 2 and 3. Solid waste management tax. Amends Minn. Stat. § 297H.04, subd. 2(c)(1)-(3), and 297H.05, (d)(1)-(2), to correct language related to weight-to-volume conversion schedules. Also amends Minn. Stat. § 297H.05(d) to clarify that self-hauler construction debris tax rate language should be parallel to language in Minn. Stat. § 297H.04, subd. 2(c)(1), which applies to construction debris that is not self-hauled. This alignment: 1) updates the volume-based tax rate for self-hauled construction debris; and 2) requires the Department, after consulting with the Minnesota Pollution Control Agency, to publish a weight-to-volume conversion schedule for self-hauled construction debris. This will conform treatment of self-hauled construction debris to the treatment afforded, under current law, to non-self-hauled construction debris. Effective July 1, 2021, and the new rate for construction debris applies to waste delivered after June 30, 2021.

Section 4. Tax Rate for Direct Procured Nonadmitted Insurance Premium. Amends Minn. Stat. § 297I.05, subd. 7, to increase the tax rate from two percent to three percent of premiums paid for nonadmitted insurance procured directly by an insured from a nonadmitted insurer. Effective for policies with an effective date after December 31, 2021.

Sections 5, 6 and 7. Merchantable iron ore concentrate. Section 5 amends Minn. Stat. § 298.001, by adding subd. 13, which defines the term "merchantable iron ore concentrate" as "other iron-bearing material" – that is, iron-bearing material other than taconite and semitaconite – that has been "treated in Minnesota by any means of beneficiation, separation, concentration or refinement for the purpose of making it salable for its iron ore content." Section 7 amends Minn. Stat. § 298.405, subd. 1, to expand the types of iron ore bearing material (other than taconite and semitaconite) that is subject to the Production Tax imposed under Minn. Stat. § 298.24. Section 6 amends Minn. Stat. § 298.24, subd. 1(e), to impose the Production Tax on the other iron-bearing material as described in section 298.405 on the tonnage of merchantable iron ore concentrate produced therefrom. Effective for taxes payable in 2022 and thereafter.

Section 8. Administrative appropriation. Appropriates $2,209,000 in fiscal year 2022 and $1,860,000 in fiscal year 2023 to the commissioner of revenue to administer this act. Appropriates $1,860,000 as the funding base for fiscal year 2024 and each fiscal year thereafter.