



House State Government Finance Committee

February 2, 2021

Mission/Vision/Values

Mission

Working together to fund Minnesota's future.

Vision

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

Values

Integrity, Respect, Excellence, and Accountability

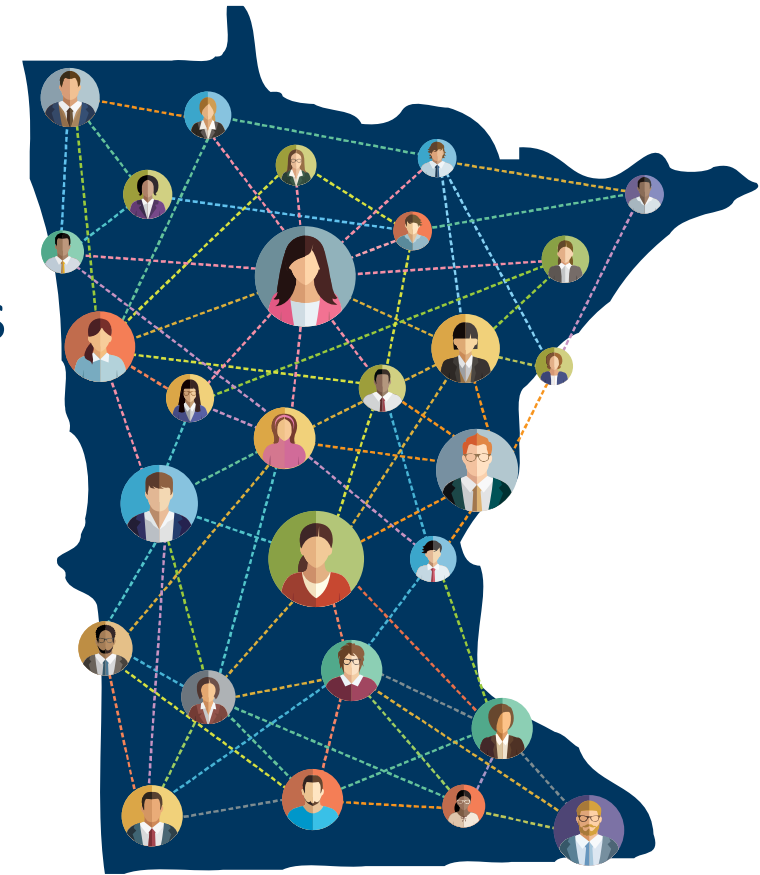


Administering Minnesota's tax code

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

Our broad base of customers

- 2.9 million individual income tax filers
- Tax professionals, legislators, military, seniors, farmers
- Over 850,000 property tax refund filers
- 87 counties and 800 licensed property tax assessors
- 415,000 businesses file and pay
 - 160,000 businesses remit sales tax





Filing Season Update

Tentative Process for Updating Tax Filing Systems

May 2020

July 15

August 2020

February 2021

End of 2019 Individual Income Tax Grace Period

Engage and Communicate with Stakeholders

Synthesize Law Changes

Tax Processing System Development and Testing

Tax Forms Updates and Development

Software Provider Certification and Testing

Publish Near Final Forms

Publish Final Forms

Filing Season Open

Volunteer Income Tax Assistance (VITA)

- Many free tax return preparation sites in Minnesota suspended or limited their services last year due to the COVID-19 pandemic.
- Some of our VITA partners do expect to return to in-person services this filing season with proper precautions in place, and we are working with many of our partners to establish a virtual option for taxpayers.
- A list of in-person and virtual VITA sites will be on our website this month once filing season is open and the sites have completed their certification.



Minnesota Department of Revenue COVID-19 Response

COVID-19 Information



COVID-19 Penalty Relief: You may ask us to cancel or reduce filing or payment penalties if you have a reasonable cause or are negatively affected by the COVID-19 pandemic. For more information, updates, and resources, see [Our Response to COVID-19](#).



[Individuals](#) [Businesses](#) [Tax Professionals](#) [Governments](#) [Policy & Research](#) [Fraud](#)

Minnesota Department of Revenue

Working together to fund Minnesota's future



Top Tasks

[Where's My Refund?](#)

[Make a Payment](#)

[Log in to e-Services](#)

[Register for a Tax ID](#)

[Calculate a Sales Tax Rate](#)

[Find a Form](#)



COVID-19 Business Relief Payments

We will send COVID-19 Business Relief Payments to eligible businesses under an economic relief package signed into law December 16. For details, see [COVID-19 Business Relief Payments](#).



Tax Law Update

We're evaluating how a recent state law change aligns Minnesota's tax code with federal expensing rules for Section 179 business property for 2020 and, in some cases, previous tax years. For more information, see [Tax Law Changes](#).



Check Your Refund Online

Get the latest information on where your income tax or property tax refund is in the

FEATURED VIDEO



[Check out our other videos.](#)

SUBSCRIBE TO EMAIL UPDATES



COVID-19 RECOVERY BUDGET



Department Budget

Minnesota Department of Revenue

- 1400 employees located throughout Minnesota
- \$170 million annual budget
 - 76% Employees
 - 16% IT
 - 8% Other operating expenses (i.e., rent, legal costs, mail/print, etc.)
- \$27 billion in tax revenue collected annually for the state and about \$450 million in local option sales tax.

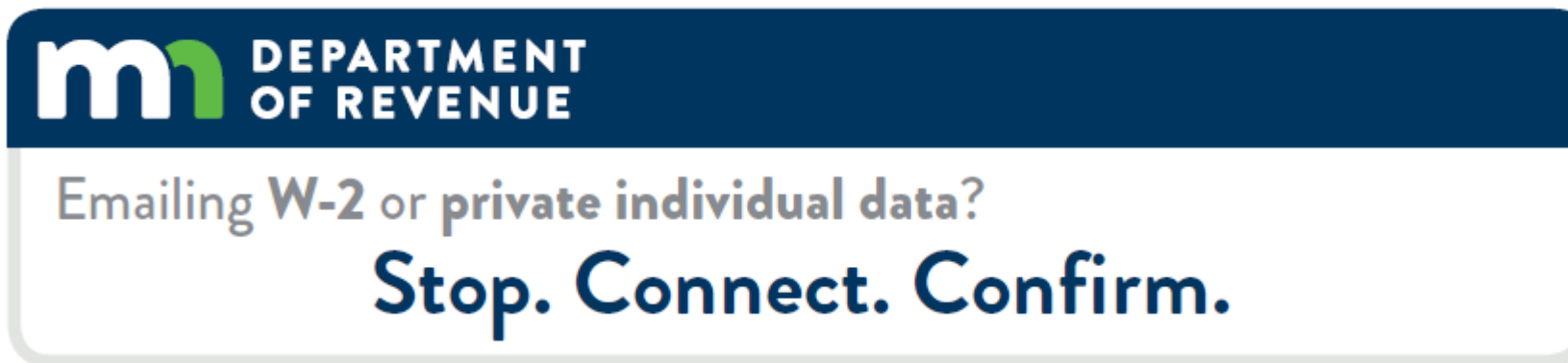
Change Item: Operating Adjustment

The Governor recommends:

- A reduction of \$8.274 million to the FY 2021 general fund operating appropriation.
- Additional funding of \$3.956 million in FY 2022 and \$6.828 million in each subsequent year from the general fund to maintain current level of service delivery.

Protecting Taxpayer information

- ID Theft and Refund Fraud
- Security and Training
- Securing taxpayer information is everyone's job



- Revenue continually seeks ways to most efficiently use our existing resources to manage costs.
- Revenue will continue to maximize efficiencies in FY 2022 and FY 2023 through a variety of ways:
 - Hiring freeze and filling only critical vacancies
 - Offering salary savings leave
 - Identifying opportunities to reduce our mailing and printing costs
 - Maximizing our virtual interactions with customers
 - Establishing a permanent virtual workforce model

How will Minnesotans be impacted if this funding isn't received?

- Longer response times for customer questions
- Delayed refunds
- Slower information updates on our website
- Fewer published fact sheets and revenue notices
- Longer audit time frames enforcement activities
- Increased cybersecurity risks





Thank you

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