

1.1 moves to amend H.F. No. 991, the delete everything amendment (A21-0146),
1.2 as follows:

1.3 Page 2, after line 31, insert:

1.4 "EFFECTIVE DATE. This section is effective the day following final enactment,
1.5 except the changes incorporated by federal changes are effective retroactively at the same
1.6 time as the changes were effective for federal purposes."

1.7 Page 3, line 18, after "Code" insert "of 1986, as amended through December 31, 2020,"

1.8 Page 3, line 21, delete everything after "retroactively" and insert "for taxable years
1.9 beginning after December 31, 2017, and before January 1, 2021."

1.10 Page 3, delete lines 22 and 23

1.11 Page 3, line 26, delete "a disallowed loss carryover" and insert "an excess business loss"

1.12 Page 3, lines 27 and 28, delete "461(1)" and insert "461(1)(3)"

1.13 Page 3, line 29, after "Code" insert "of 1986, as amended through December 31, 2020"

1.14 Page 4, line 4, after "Code" insert "of 1986, as amended through December 31, 2020,"

1.15 Page 4, line 6, after "2018" insert ", including the amount of the addition required under
1.16 subdivision 20 to the extent the amount is not included under section 172 of the Internal
1.17 Revenue Code"

1.18 Page 4, line 17, delete "business interest deduction limit" and insert "amount of business
1.19 interest deductible" and delete "section 290.34 or"

1.20 Page 4, delete line 24

1.21 Page 4, line 25, delete "for taxable years beginning" and after "retroactively" insert "at
1.22 the same time and for the same taxable years as the temporary changes in section 2306 of
1.23 Public Law 116-136 were effective for federal purposes and thereafter."

2.1 Page 4, delete line 26

2.2 Page 5, line 5, after "Code" insert "of 1986, as amended through December 31, 2018,
2.3 including the amount of the addition required under section 290.0131, subdivision 20, to
2.4 the extent the amount is not included under section 172 of the Internal Revenue Code"

2.5 Page 5, delete line 10

2.6 Page 5, line 16, after "Code" insert "of 1986, as amended through December 31, 2020,
2.7 or section 290.34,"

2.8 Page 5, line 18, after "2018" insert ", or section 290.34"

2.9 Page 5, delete lines 19 to 21 and insert:

2.10 "**EFFECTIVE DATE.** This section is effective the day following final enactment,
2.11 except the changes incorporated by federal changes are effective retroactively at the same
2.12 time as the changes were effective for federal purposes."

2.13 Page 6, line 1, delete "limit established for the business interest deduction" and insert
2.14 "amount of business interest deductible"

2.15 Page 9, delete section 15

2.16 Page 18, line 28, reinstate "~~each of the~~"

2.17 Page 20, line 10, after the period, insert "A credit may be assigned at any time, provided
2.18 that, for an assignment of a credit carryover under section 290.06, subdivision 39, paragraph
2.19 (b), only the unused amount of the carryover is assigned."

2.20 Page 23, line 7, after "2020" insert ", except that the provisions relating to section
2.21 290.0131, subdivisions 20 and 21, are effective retroactively for taxable years beginning
2.22 after December 31, 2017, and the provisions relating to section 290.0131, subdivision 19,
2.23 and section 290.0132, subdivisions 30 and 31, are effective retroactively for taxable years
2.24 beginning after December 31, 2018"

2.25 Page 44, line 25, after "2020" insert ", except that the provisions relating to section
2.26 290.0131, subdivisions 20 and 21, are effective retroactively for taxable years beginning
2.27 after December 31, 2017, and the provisions relating to section 290.0131, subdivision 19,
2.28 and section 290.0132, subdivisions 30 and 31, are effective retroactively for taxable years
2.29 beginning after December 31, 2018"

2.30 Page 45, line 15, delete "provided by law" and insert "allowed under the Internal Revenue
2.31 Code"

3.1 Page 61, line 22, after the period, insert "A federal adjustment is positive to the extent
3.2 that it increases taxable income as determined under section 290.01, subdivision 29, and is
3.3 negative to the extent that it decreases taxable income as determined under section 290.01,
3.4 subdivision 29."

3.5 Page 63, delete line 25 and insert "and except for negative federal adjustments required
3.6 under federal law taken into account by the partnership in the partnership return for the
3.7 adjustment or other year,"

3.8 Page 63, line 26, delete "of the Internal Revenue Code,"

3.9 Page 84, delete lines 14 to 22 and insert:

3.10 "(b) The maximum refund allowed under this section is \$1,000 per federal employer
3.11 identification number or Minnesota sales and use tax account number, whichever number
3.12 is used to file sales tax returns. A business using a consolidated return to report sales tax
3.13 information from more than one restaurant location, as provided in Minnesota Statutes,
3.14 section 289A.11, subdivision 1, paragraph (a), is eligible for a refund of up to \$1,000, per
3.15 restaurant location reported."

3.16 Page 97, line 29, delete "commissioner"

3.17 Page 97, line 30, delete "of revenue" and insert "county"

3.18 Page 97, line 31, delete "commissioner" and insert "county" and before "An" insert "The
3.19 county auditor must certify to the commissioner of revenue the amount needed for refunds
3.20 under this section, which the commissioner must pay to the county."

3.21 Page 98, after line 6, insert:

3.22 "Sec. Minnesota Statutes 2020, section 272.115, subdivision 1, is amended to read:

3.23 Subdivision 1. **Requirement.** Except as otherwise provided in subdivision 5, 6, or 7,
3.24 whenever any real estate is sold for a consideration in excess of \$3,000, whether by warranty
3.25 deed, quitclaim deed, contract for deed or any other method of sale, the grantor, grantee or
3.26 the legal agent of either shall file a certificate of value with the county auditor in the county
3.27 in which the property is located when the deed or other document is presented for recording.
3.28 Contract for deeds are subject to recording under section 507.235, subdivision 1. Value
3.29 shall, in the case of any deed not a gift, be the amount of the full actual consideration thereof,
3.30 paid or to be paid, including the amount of any lien or liens assumed. The items and value
3.31 of personal property transferred with the real property must be listed and deducted from the
3.32 sale price. The certificate of value shall include the classification to which the property

4.1 belongs for the purpose of determining the fair market value of the property, and shall
4.2 include any proposed change in use of the property known to the person filing the certificate
4.3 that could change the classification of the property. The certificate shall include financing
4.4 terms and conditions of the sale which are necessary to determine the actual, present value
4.5 of the sale price for purposes of the sales ratio study. If the property is being acquired as
4.6 part of a like-kind exchange under section 1031 of the Internal Revenue Code of 1986, as
4.7 amended through December 31, 2006, that must be indicated on the certificate. The
4.8 commissioner of revenue shall promulgate administrative rules specifying the financing
4.9 terms and conditions which must be included on the certificate. The certificate of value
4.10 must include the Social Security number, individual tax identification number, or the federal
4.11 employer identification number of the grantors and grantees. However, a married person
4.12 who is not an owner of record and who is signing a conveyance instrument along with the
4.13 person's spouse solely to release and convey their marital interest, if any, in the real property
4.14 being conveyed is not a grantor for the purpose of the preceding sentence. A statement in
4.15 the deed that is substantially in the following form is sufficient to allow the county auditor
4.16 to accept a certificate for filing without the Social Security number or individual tax
4.17 identification number of the named spouse: "(Name) claims no ownership interest in the
4.18 real property being conveyed and is executing this instrument solely to release and convey
4.19 a marital interest, if any, in that real property." The identification numbers of the grantors
4.20 and grantees are private data on individuals or nonpublic data as defined in section 13.02,
4.21 subdivisions 9 and 12, but, notwithstanding that section, the private or nonpublic data may
4.22 be disclosed to the commissioner of revenue for purposes of tax administration. The
4.23 information required to be shown on the certificate of value is limited to the information
4.24 required as of the date of the acknowledgment on the deed or other document to be recorded.

4.25 **EFFECTIVE DATE.** This section is effective the day following final enactment."

4.26 Page 101, after line 32, insert:

4.27 "Sec. Minnesota Statutes 2020, section 273.124, subdivision 6, is amended to read:

4.28 Subd. 6. **Leasehold cooperatives.** When one or more dwellings or one or more buildings
4.29 which each contain several dwelling units is owned by a nonprofit corporation subject to
4.30 the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) of the
4.31 Internal Revenue Code, or a limited partnership which corporation or partnership operates
4.32 the property in conjunction with a cooperative association, and has received public financing,
4.33 homestead treatment may be claimed by the cooperative association on behalf of the members
4.34 of the cooperative for each dwelling unit occupied by a member of the cooperative. The

5.1 cooperative association must provide the assessor with the Social Security numbers or
5.2 individual tax identification numbers of those members. To qualify for the treatment provided
5.3 by this subdivision, the following conditions must be met:

5.4 (a) the cooperative association must be organized under chapter 308A or 308B and all
5.5 voting members of the board of directors must be resident tenants of the cooperative and
5.6 must be elected by the resident tenants of the cooperative;

5.7 (b) the cooperative association must have a lease for occupancy of the property for a
5.8 term of at least 20 years, which permits the cooperative association, while not in default on
5.9 the lease, to participate materially in the management of the property, including material
5.10 participation in establishing budgets, setting rent levels, and hiring and supervising a
5.11 management agent;

5.12 (c) to the extent permitted under state or federal law, the cooperative association must
5.13 have a right under a written agreement with the owner to purchase the property if the owner
5.14 proposes to sell it; if the cooperative association does not purchase the property it is offered
5.15 for sale, the owner may not subsequently sell the property to another purchaser at a price
5.16 lower than the price at which it was offered for sale to the cooperative association unless
5.17 the cooperative association approves the sale;

5.18 (d) a minimum of 40 percent of the cooperative association's members must have incomes
5.19 at or less than 60 percent of area median gross income as determined by the United States
5.20 Secretary of Housing and Urban Development under section 142(d)(2)(B) of the Internal
5.21 Revenue Code. For purposes of this clause, "member income" means the income of a member
5.22 existing at the time the member acquires cooperative membership;

5.23 (e) if a limited partnership owns the property, it must include as the managing general
5.24 partner a nonprofit organization operating under the provisions of chapter 317A and
5.25 qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code and the limited
5.26 partnership agreement must provide that the managing general partner have sufficient powers
5.27 so that it materially participates in the management and control of the limited partnership;

5.28 (f) prior to becoming a member of a leasehold cooperative described in this subdivision,
5.29 a person must have received notice that (1) describes leasehold cooperative property in plain
5.30 language, including but not limited to the effects of classification under this subdivision on
5.31 rents, property taxes and tax credits or refunds, and operating expenses, and (2) states that
5.32 copies of the articles of incorporation and bylaws of the cooperative association, the lease
5.33 between the owner and the cooperative association, a sample sublease between the
5.34 cooperative association and a tenant, and, if the owner is a partnership, a copy of the limited

6.1 partnership agreement, can be obtained upon written request at no charge from the owner,
6.2 and the owner must send or deliver the materials within seven days after receiving any
6.3 request;

6.4 (g) if a dwelling unit of a building was occupied on the 60th day prior to the date on
6.5 which the unit became leasehold cooperative property described in this subdivision, the
6.6 notice described in paragraph (f) must have been sent by first class mail to the occupant of
6.7 the unit at least 60 days prior to the date on which the unit became leasehold cooperative
6.8 property. For purposes of the notice under this paragraph, the copies of the documents
6.9 referred to in paragraph (f) may be in proposed version, provided that any subsequent
6.10 material alteration of those documents made after the occupant has requested a copy shall
6.11 be disclosed to any occupant who has requested a copy of the document. Copies of the
6.12 articles of incorporation and certificate of limited partnership shall be filed with the secretary
6.13 of state after the expiration of the 60-day period unless the change to leasehold cooperative
6.14 status does not proceed;

6.15 (h) the county attorney of the county in which the property is located must certify to the
6.16 assessor that the property meets the requirements of this subdivision;

6.17 (i) the public financing received must be from at least one of the following sources:

6.18 (1) tax increment financing proceeds used for the acquisition or rehabilitation of the
6.19 building or interest rate write-downs relating to the acquisition of the building;

6.20 (2) government issued bonds exempt from taxes under section 103 of the Internal Revenue
6.21 Code, the proceeds of which are used for the acquisition or rehabilitation of the building;

6.22 (3) programs under section 221(d)(3), 202, or 236, of Title II of the National Housing
6.23 Act;

6.24 (4) rental housing program funds under Section 8 of the United States Housing Act of
6.25 1937, as amended, or the market rate family graduated payment mortgage program funds
6.26 administered by the Minnesota Housing Finance Agency that are used for the acquisition
6.27 or rehabilitation of the building;

6.28 (5) low-income housing credit under section 42 of the Internal Revenue Code;

6.29 (6) public financing provided by a local government used for the acquisition or
6.30 rehabilitation of the building, including grants or loans from (i) federal community
6.31 development block grants; (ii) HOME block grants; or (iii) residential rental bonds issued
6.32 under chapter 474A; or

7.1 (7) other rental housing program funds provided by the Minnesota Housing Finance
7.2 Agency for the acquisition or rehabilitation of the building;

7.3 (j) at the time of the initial request for homestead classification or of any transfer of
7.4 ownership of the property, the governing body of the municipality in which the property is
7.5 located must hold a public hearing and make the following findings:

7.6 (1) that the granting of the homestead treatment of the apartment's units will facilitate
7.7 safe, clean, affordable housing for the cooperative members that would otherwise not be
7.8 available absent the homestead designation;

7.9 (2) that the owner has presented information satisfactory to the governing body showing
7.10 that the savings garnered from the homestead designation of the units will be used to reduce
7.11 tenant's rents or provide a level of furnishing or maintenance not possible absent the
7.12 designation; and

7.13 (3) that the requirements of paragraphs (b), (d), and (i) have been met.

7.14 Homestead treatment must be afforded to units occupied by members of the cooperative
7.15 association and the units must be assessed as provided in subdivision 3, provided that any
7.16 unit not so occupied shall be classified and assessed pursuant to the appropriate class. No
7.17 more than three acres of land may, for assessment purposes, be included with each dwelling
7.18 unit that qualifies for homestead treatment under this subdivision.

7.19 When dwelling units no longer qualify under this subdivision, the current owner must
7.20 notify the assessor within 60 days. Failure to notify the assessor within 60 days shall result
7.21 in the loss of benefits under this subdivision for taxes payable in the year that the failure is
7.22 discovered. For these purposes, "benefits under this subdivision" means the difference in
7.23 the net tax capacity of the units which no longer qualify as computed under this subdivision
7.24 and as computed under the otherwise applicable law, times the local tax rate applicable to
7.25 the building for that taxes payable year. Upon discovery of a failure to notify, the assessor
7.26 shall inform the auditor of the difference in net tax capacity for the building or buildings in
7.27 which units no longer qualify, and the auditor shall calculate the benefits under this
7.28 subdivision. Such amount, plus a penalty equal to 100 percent of that amount, shall then be
7.29 demanded of the building's owner. The property owner may appeal the county's determination
7.30 by serving copies of a petition for review with county officials as provided in section 278.01
7.31 and filing a proof of service as provided in section 278.01 with the Minnesota Tax Court
7.32 within 60 days of the date of the notice from the county. The appeal shall be governed by
7.33 the Tax Court procedures provided in chapter 271, for cases relating to the tax laws as
7.34 defined in section 271.01, subdivision 5; disregarding sections 273.125, subdivision 5, and

8.1 278.03, but including section 278.05, subdivision 2. If the amount of the benefits under this
 8.2 subdivision and penalty are not paid within 60 days, and if no appeal has been filed, the
 8.3 county auditor shall certify the amount of the benefit and penalty to the succeeding year's
 8.4 tax list to be collected as part of the property taxes on the affected buildings.

8.5 EFFECTIVE DATE. This section is effective beginning with assessment year 2021
 8.6 and thereafter."

8.7 Page 104, after line 25, insert:

8.8 "Sec. Minnesota Statutes 2020, section 273.124, subdivision 13a, is amended to read:

8.9 Subd. 13a. **Occupant list.** At the request of the commissioner, each county must give
 8.10 the commissioner a list that includes the name and Social Security number or individual
 8.11 tax identification number of each occupant of homestead property who is the property owner,
 8.12 property owner's spouse, qualifying relative of a property owner, or a spouse of a qualifying
 8.13 relative. The commissioner shall use the information provided on the lists as appropriate
 8.14 under the law, including for the detection of improper claims by owners, or relatives of
 8.15 owners, under chapter 290A.

8.16 EFFECTIVE DATE. This section is effective beginning with assessment year 2021
 8.17 and thereafter."

8.18 Page 112, line 12, reinstate the stricken language

8.19 Page 116, line 14, reinstate the stricken language

8.20 Page 136, line 1, delete "following" and insert "prior"

8.21 Page 138, line 6, delete "proposed" and delete "for the upcoming taxes payable"

8.22 Page 138, line 7, delete "year"

8.23 Page 142, after line 2, insert:

8.24 "(c) If the special taxing district includes the operation of a fire department, the resolution
 8.25 under paragraph (a) or agreement under paragraph (b) must specify which, if any, volunteer
 8.26 firefighter pension plan is associated with the district. A special taxing district that operates
 8.27 a fire department under this section may be associated with only one volunteer firefighting
 8.28 relief association or one account in the voluntary statewide volunteer firefighting retirement
 8.29 plan at one time.

8.30 "(d) If the special taxing district includes the operation of a fire department, it must file
 8.31 its resolution establishing the fire protection special taxing district, and any agreements

9.1 required for the establishment of the special taxing district, with the commissioner of revenue,
9.2 including any amendments to those documents. If the resolution or agreement does not
9.3 include sufficient information defining the fire department service area of the fire protection
9.4 special taxing district, the secretary of the district board must file a written statement with
9.5 the commissioner defining the fire department service area."

9.6 Page 143, line 27, after the period, insert "The addition of a political subdivision to the
9.7 district may not cause the district to be out of compliance with subdivision 2, paragraph
9.8 (c)."

9.9 Page 147, after line 35, insert:

9.10 "Sec. Laws 2009, chapter 88, article 2, section 46, subdivision 3, as amended by Laws
9.11 2013, chapter 143, article 4, section 37, and Laws 2019, First Special Session chapter 6,
9.12 article 4, section 34, is amended to read:

9.13 Subd. 3. **Tax.** The district board may impose a property tax on taxable property as
9.14 provided in this subdivision to pay the costs of providing fire or ambulance services, or
9.15 both, throughout the district. The board shall annually determine the total amount of the
9.16 levy that is attributable to the cost of providing fire services and the cost of providing
9.17 ambulance services within the primary service area. ~~For those municipalities that only~~
9.18 ~~receive ambulance services, the costs for the provision of ambulance services shall be levied~~
9.19 ~~against taxable property within those municipalities at a rate necessary not to exceed 0.019~~
9.20 ~~percent of the estimated market value. For those municipalities that receive both fire and~~
9.21 ~~ambulance services, the tax shall be imposed at a rate that does not exceed 0.2835 percent~~
9.22 ~~of estimated market value.~~

9.23 When a member municipality opts to receive fire service from the district or an additional
9.24 municipality becomes a member of the district, the cost of providing fire services to that
9.25 community shall be determined by the board ~~and added to the maximum levy amount.~~

9.26 Each county auditor of a county that contains a municipality subject to the tax under
9.27 this section must collect the tax and pay it to the Fire and Ambulance Special Taxing District.
9.28 The district may also impose other fees or charges as allowed by law for the provision of
9.29 fire and ambulance services.

9.30 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
9.31 Cloquet Area Fire and Ambulance Special Taxing District and its chief clerical officer
9.32 comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

- 10.1 Page 148, line 6, before "was" insert "or an excluded area three acres or larger that now
10.2 contains a structure that is not a minor, ancillary nonresidential structure,"
- 10.3 Page 150, lines 22 and 23, after "current" insert "school" and after "two" insert "school"
- 10.4 Page 152, line 10, after the first "commissioner" insert "by December 31 each year on
10.5 a form prescribed by the commissioner"
- 10.6 Page 163, line 30, delete "\$7,840,000" and insert "\$10,840,000"
- 10.7 Page 164, line 5, delete "\$7,840,000" and insert "\$10,840,000"
- 10.8 Page 171, lines 19 and 26, delete "\$29,100,000" and insert "\$31,590,000"
- 10.9 Page 196, line 21, after "tax" insert "expenditure"
- 10.10 Page 210, line 3, after "commissioner" insert ", in consultation with the commissioner
10.11 of revenue,"
- 10.12 Page 210, line 30, delete "sales"
- 10.13 Page 211, line 1, delete everything after the period
- 10.14 Page 211, delete lines 2 and 3 and insert "By March 15 following the November forecast,
10.15 the commissioner must provide the commissioner of revenue with the percentage of
10.16 accelerated June liability owed based on the reduction required by this clause. By April 15
10.17 each year, the commissioner of revenue must certify that percentage to qualifying vendors
10.18 and distributors."
- 10.19 Page 230, line 29, after "following" insert "to the extent available"
- 10.20 Page 232, line 10, after the period, insert "The commissioner of revenue must remit the
10.21 funds to the city of Melrose by July 20, 2021. The city must use the funds to administer
10.22 grants to public or private entities for use in accordance with subdivision 3."
- 10.23 Page 232, line 13, after the period, insert "The commissioner of revenue must remit the
10.24 funds to the city of Alexandria by July 20, 2021. The city must use the funds to administer
10.25 grants to public or private entities for use in accordance with subdivision 3."
- 10.26 Page 232, line 21, delete "January" and insert "February"
- 10.27 Renumber the sections in sequence and correct the internal references
- 10.28 Amend the title accordingly