

Subject Social media platform business tax

Authors Gomez

Analyst Chris Kleman

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Overview

This bill would impose an excise tax on social media companies, based on the number of Minnesota resident consumers a company collects consumer data on. The tax would be imposed at graduated rates between 10 cents per consumer per month and 50 cents per consumer per month. The brackets would be based on the number of state users in a month the company collects data on.

Summary

Section	Description
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| 1 | <p>Social media gross receipts tax.</p> <p>Subd. 1. Tax imposed. Imposes a tax on the collection of consumer data by social media platform businesses.</p> <p>Subd. 2. Rate of tax. Imposes the tax in subdivision 1 on a graduated rate schedule, based on the number of a social media platform business's monthly Minnesota consumers. Rates would range from 10 cents per consumer per month (for social media platform businesses with 100,000 or more consumers) to 50 cents per consumer per month (for businesses with over 1,000,000 consumers).</p> <p>Subd. 3. Definitions. Establishes definitions for the proposed tax, including for "consumer" (social media account-holders, whose data is collected), "Minnesota consumer" (only Minnesota resident consumers), "social media platform" (defined by reference to the social media manipulation law in chapter 325M), and "social media platform business" (a social media business that is engaged in the consumer data business that collects data on more than 100,000 Minnesota consumers in a month).</p> <p>Subd. 4. Taxpayers. Establishes a presumption that a consumer is a Minnesota resident based on the information a social media platform business has on a consumer's physical or IP address. Clarifies that a consumer may only be counted once per month, all of the consumers of a consolidated group of corporations</p> |
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Section	Description
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	count toward the 100,000 consumer threshold established in subdivision 3, and a single member LLC must be treated as a consumer.
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Subd. 5. Credits against tax paid to another jurisdiction. Provides a credit to a social media platform business for taxes paid to other states on the same base.

Subd. 6. Recordkeeping. Requires a social media platform business to maintain records, as required by the commissioner.

Subd. 7. Administration. Requires the tax to be administered the same as the state sales and use tax.

Subd. 8. Returns; payment of tax. Requires returns to be filed and tax paid in the same manner as for the state sales and use tax. Requires interest to be paid on overpayments of tax.

Subd. 9. Deposit of revenues. Requires the tax to be deposited in the general fund.

Subd. 10. Personal debt. Establish liability for payment of tax on the person required to file the return.

Effective date: consumer data collected in 2026.



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