

Bill Comparison Summary of House File 2125, Third Engrossment/House File 2125, First Unofficial Engrossment

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Sec.	Article 1: Federal Conformity	Article 1: Federal Conformity
1	<p>Debt; debtor. Modifies the inflation indexing of the income-based exemptions for debtors with medical care debts under the revenue recapture program. Adopts the new federal indexing rules based on the Chained Consumer Price Index for Urban Consumers (C-CPI-U).</p>	<p>Section 1. Same.</p>
2	<p>Cost of living adjustment. Adds a new section to chapter 270C that describes the rules for indexing for inflation the income tax and property tax refund. Specifies that both income tax and property tax refund amounts are indexed using the August-to-August change in the Chained Consumer Price Index for All Urban Consumers (C-CPI-U). Requires the Department of Revenue to annually publish the adjusted dollar amounts on its website.</p>	<p>Section 2. Same.</p>
3	<p>Internal Revenue Code. Updates chapter 289A for federal changes through December 31, 2018.</p> <p>Effective date: the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time they became effective for federal purposes.</p>	<p>Section 3. Same, except for verb tense in effective date.</p>
4	<p>Filing requirements. Authorizes the commissioner of revenue to establish individual income tax filing requirements that differ from federal law based on the Minnesota standard deduction and exemption amounts.</p> <p>Effective date: Tax year 2019.</p>	<p>Section 4. Similar. Differences in cross-references to subtractions in later sections due to different approaches in bills.</p>
5	<p>Cross-reference change. Modifies statutory cross references in the composite return filing requirement for nonresident partners and S corporation shareholders.</p> <p>Effective date: Tax year 2019.</p>	<p>Section 5. Similar. Numbered subdivisions in cross-references are different due to different approaches in bills.</p>
6	<p>Conforming change. Changes a reference from FTI to FAGI (in the information reporting for exempt interest dividends) to reflect the article’s change in the starting point of the individual income tax from FTI to FAGI.</p> <p>Effective date: Tax year 2019.</p>	<p>Section 6. Same.</p>
7	<p>Installment payments of tax on deferred foreign earnings. Authorizes C corporations that are subject to the onetime tax on deferred foreign earnings under the TCJA to elect to pay their Minnesota tax in installments, as allowed under federal law.</p> <p>Effective date: Retroactively at the same time the provisions of the TCJA became effective for federal purposes.</p>	<p>No comparable provision.</p>
8	<p>Conforming change. Adds a reference to FAGI in the commissioner’s assessment authority, consistent with the article’s change in the starting point of the individual income tax from FTI to FAGI.</p> <p>Effective date: Tax year 2019.</p>	<p>Section 7. Same.</p>
9	<p>Determination of marital status. Adds rules governing how an individual is determined to be married for tax purposes. Adopts by cross reference</p>	<p>No comparable provision.</p>

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Sec.	Article 1: Federal Conformity	Article 1: Federal Conformity
	<p>the federal rules currently in effect for Minnesota purposes.</p> <p>Effective date: Tax year 2019.</p>	
10	<p>Surviving spouse definition. Adds a definition of “surviving spouse” (linked to the federal definition) for purposes of the individual income tax chapter.</p> <p>Effective date: Tax year 2019.</p>	<p>Section 8. Same.</p>
11	<p>Net income definition. Modifies the definition of net income to provide that the starting point for computing Minnesota individual income tax will be FAGI (rather the FTI). Estates, trusts, and C corporations will continue to use FTI. The bill also updates the date of the Internal Revenue Code that is in effect for the purposes of calculating net income.</p> <p>Effective date: The switch to FAGI as the starting point for the state’s tax code is effective for tax year 2019. The update of the version of the Internal Revenue Code is effective the day following final enactment, but changes incorporated by the federal changes are effective retroactively at the same time as they became effective for federal purposes.</p>	<p>Section 9. Order of references to estates/trusts and corporations is different, but provisions are otherwise the same.</p> <p>Effective date: The switch to FAGI as the starting point for the state’s tax code is the same.</p> <p>The update of the version of the Internal Revenue Code version is effective the day following final enactment, but changes to certain itemized deductions are effective retroactively at the same time as the changes were effective for federal purposes.</p>
12	<p>Deferred foreign income definition. Defines “deferred foreign income” for purposes of the corporate and individual income taxes to be the amount required to be recognized under federal law, but excluding the deduction allowed for the participation exemption.</p> <p>Effective date: Retroactively at the same time the provisions of the TCJA became effective for federal purposes.</p>	<p>No comparable provision.</p>
13	<p>Adjusted gross income definition. Adds a definition of “adjusted gross income” and “federal adjusted gross income” that refers to federal law to minimize the need to include repeated references to section 62 of the Internal Revenue Code.</p> <p>Effective date: Day following final enactment.</p>	<p>Section 10. Similar. Differences to a cross-reference in the provision, but has no substantive effect.</p>
	<p>No comparable provision.</p>	<p>Section 11. Taxable net income. Modifies the definition of taxable net income for residents and nonresidents to reflect the new deductions and exemptions established in a later section.</p> <p>Effective beginning in tax year 2019.</p>
14	<p>State itemized deductions definition. Modifies the definition of state itemized deductions to equal the itemized deductions allowed under the bill.</p>	<p>Senate section 12 matched with House section 17 below.</p>
15	<p>Chapter 290 update. Adopts the changes to the Internal Revenue Code made since December 16, 2016, for purposes of the individual income and corporate franchise taxes.</p> <p>Effective date: Day following final enactment; changes incorporated by reference to federal provisions are effective at the same time as they are effective for federal purposes. The effective date</p>	<p>Section 14. Update to IRC changes in are the same.</p> <p>Effective date: Day following final enactment; changes incorporated by reference to federal provisions are effective at the same time as they are effective for federal purposes, except that Senate</p>

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Sec.	Article 1: Federal Conformity	Article 1: Federal Conformity
	also specifies that the changes are subject to the special adjustment for tax year 2018 under section 290.993.	does not conform to the temporary reduction in the medical expense deduction floor.
16	<p>Dependent exemption.</p> <p>Subd. 1. Exemption Amount. Establishes a state dependent exemption equal to \$4,250 in tax year 2019—the amount allowed under prior federal law and current Minnesota law.</p> <p>Subd. 2. Disallowed exemption amount. Phases out the dependent exemption using the same rules that are in place under current law for personal and dependent exemptions.</p> <p>Subd. 3. Inflation adjustment. Indexes the dependent exemption and phaseout thresholds for inflation.</p>	<p>Section 31. Personal and dependent exemptions. Allows a personal and dependent exemption in the amount allowed prior to enactment of the TCJA.</p> <p>Effective beginning in tax year 2020.</p>
17	<p>Itemized deductions.</p> <p>Subd. 1. Itemized deductions. Defines a taxpayer’s itemized deductions as the sum of the amount allowed under the section, reduced by the itemized deduction phaseout.</p> <p>Subd. 2. Deductions limited. Reduces itemized deduction amounts using the same rules in place under current law, except that the amount of state taxes deducted federally no longer count towards the 80 percent reduction in a taxpayer’s itemized deductions.</p> <p>Subd. 3. Taxes paid. Allows an itemized deduction for taxes paid. The deduction equals the sum of the taxpayer’s taxes in each of the following categories:</p> <ul style="list-style-type: none"> • Up to \$10,000 of state, local, and foreign property taxes. The limitation is \$5,000 for married couples filing separately. • Foreign income, war profits, and excess profits taxes to the extent not reduced by the federal foreign tax credit. • Foreign subnational taxes that did not qualify for the state credit for taxes paid to another state. The amount of foreign subnational taxes is limited to the amount that qualifies for the federal foreign tax credit. This itemized deduction replaces an existing subtraction in state law. <p>Subd. 4. Charitable contributions. Allows an itemized deduction for the amount of charitable contributions allowed under federal law.</p> <p>Subd. 5. Interest. Allows an itemized deduction for interest paid equal to the amount deductible under federal law.</p> <p>Subd. 6. Medical expenses. Allows an itemized for medical expenses in excess of 10 percent of AGI.</p>	<p>Section 12. State itemized deductions. Modifies the definition of “state itemized deduction” to adopt federal itemized deductions effective prior to TCJA, except that Minnesota would conform to:</p> <ul style="list-style-type: none"> • the disallowance of charitable deductions for college athletic seating payments; and • the limitation on the mortgage interest deduction to indebtedness over \$750,000 and the disallowance of the home equity interest deduction. <p>Minnesota would continue to allow miscellaneous itemized deductions, but only to the extent they exceed five percent of AGI, instead of two percent under pre-TCJA law.</p> <p>Allows up to \$15,000 for state and local property taxes in the state itemized deduction to the extent those amounts were not claimed under the new pre-TCJA definition in this section.</p> <p>Effective beginning in tax year 2019.</p>

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Sec.	Article 1: Federal Conformity	Article 1: Federal Conformity
	<p>Subd. 7. Unreimbursed employee expenses. Allows an itemized deduction for unreimbursed employee expenses. The deduction is limited to expenses in excess of 2 percent of AGI.</p> <p>Subd. 8. Losses. Allows a state itemized deduction for casualty and theft losses.</p> <p>Subd. 9. Miscellaneous deduction. Allows a state itemized deduction for to federal miscellaneous deductions not subject to the 2 percent floor.</p>	
18	<p>Standard deduction amounts.</p> <p>Subd. 1. Standard deduction amount. Establishes a state standard deduction. The deduction amounts correspond to the amounts allowed federally, as follows:</p> <ul style="list-style-type: none"> • Married couples filing joint returns or surviving spouses: \$24,400 • Heads of household: \$18,350 • All other filers: \$12,200 <p>Taxpayers who are 65 years or older, or who are blind, may claim an additional amount under subdivision 2.</p> <p>The standard deduction is subject to the reduction under subdivision 5.</p> <p>Subd. 2. Additional amount for senior or blind taxpayers. Allows an additional standard deduction amount for taxpayers ages 65 or older, or who are blind.</p> <p>Subd. 3. Amount for dependents. Establishes the standard deduction amount for taxpayers who are claimed as dependents on another return.</p> <p>Subd. 4. Deduction disallowed. Disallows the standard deduction for married separate taxpayers whose spouses itemize deductions, and for taxpayers who changed their annual accounting period and are filing a return for a period of less than 12 months.</p> <p>Subd. 5. Deduction limited. Reduces a taxpayer’s standard deduction if the taxpayer’s income exceeds the threshold amounts. The thresholds are \$194,650 for all taxpayers except married individuals filing separate returns, for whom the threshold is one-half that amount.</p> <p>Subd. 6. Inflation adjustment. Indexes for inflation the standard deduction amount, additional standard deduction amount, and phaseout thresholds.</p>	<p>Section 13. State standard deduction.</p> <p>Codifies a state standard deduction to reflect the pre-TCJA federal standard deduction amounts.</p> <p>Effective beginning in tax year 2019.</p>
19	<p>Additions to income; scope. Modifies the scope subdivision of the section providing individual income tax additions to income to be consistent</p>	<p>Section 15. Same.</p>

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Sec.	Article 1: Federal Conformity	Article 1: Federal Conformity
	<p>with the article’s change in the starting point of the individual income tax from FTI to FAGI.</p> <p>Effective date: Tax year 2019.</p>	
20	<p>State and local income and sales taxes. Limits the addition for state and local income taxes and sales taxes to estates and trusts, since only those entities will continue to use FTI (which incorporates the federal deduction for state and local income taxes) in calculating Minnesota tax. Effective date: Tax year 2019.</p>	<p>Section 16. Same.</p>
	<p>Similar language appears in House section 17, subdivision 2.</p>	<p>Section 17. Disallowed itemized deduction.</p> <p>Provides for the phaseout of Minnesota itemized deductions to be consistent with how the phaseout was calculated prior to TCJA.</p> <p>Effective beginning in tax year 2019.</p>
	<p>Similar language appears in House section 16, subdivision 2.</p>	<p>Section 18. Disallowed personal exemption amount.</p> <p>Applies the phaseout of personal exemptions to the new Minnesota personal and dependent exemption subtraction established in a later section.</p> <p>Effective beginning in tax year 2019.</p>
21	<p>Section 179 addition. Fully conforms to the federal section 179 allowances (allowing expensing for qualifying equipment purchases by businesses) for individuals.</p> <p>Effective date: Retroactively for tax year 2018.</p>	<p>Section 62. Repealer. Similar. Senate fully conforms to the increased section 179 allowances beginning in tax year 2019.</p>
22	<p>529 plan addition. Requires distributions from 529 Plans (Qualified Tuition Plans) that are used to pay for K-12 expenses to be added to FAGI.</p> <p>Effective date: Retroactively for tax year 2018.</p>	<p>No comparable provision.</p>
23	<p>Qualified business income. Requires a trust or estate to add to FTI the amount it deducted as qualified business income (the 20-percent deduction allowed under TCJA).</p> <p>Effective date: Retroactive to tax year 2018.</p>	<p>Section 19. Similar. Different headnote and effective date (tax year 2019).</p>
	<p>No comparable provision.</p>	<p>Section 20. Foreign-derived intangible income. Requires an addition of foreign-derived intangible income (FDII), which is a deduction for purposes of calculating federal taxable income on certain foreign-sourced income.</p> <p>Effective retroactive to tax year 2018.</p>
	<p>No comparable provision.</p>	<p>Section 21. Special deductions. Requires the addback of the federal preferred rate reduction taken under IRC section 250 for global intangible low-taxed income (GILTI). Federal income is reduced by an amount needed to reach the GILTI preferred rate reduction. Without an addback of this reduction, taxpayers would be allowed a deduction from state net income in excess of the federal inclusion amount.</p> <p>Effective date: Retroactive to tax year 2018.</p>

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Sec.	Article 1: Federal Conformity	Article 1: Federal Conformity
24	<p>Excess business losses. Makes the TCJA’s temporary disallowance of certain business losses (those used to offset income that is not from a trade of business) permanent. Also provides that the disallowed loss may continue to be taken as an NOL as provided under the TCJA.</p> <p>Effective date: Day following final enactment, for losses disallowed in tax year 2026.</p>	<p>No comparable provision.</p>
25	<p>Moving expenses. Adds an addition for amounts of employer-reimbursed moving expenses that are excluded from gross income, and individual moving expenses that are deducted from adjusted gross income.</p>	<p>No comparable provision.</p>
26	<p>Subtractions from income; scope. Modifies the scope subdivision of the section providing individual income tax subtractions from income to be consistent with the article’s change in the starting point of the individual income tax from FTI to FAGI.</p> <p>Effective date: Tax year 2019.</p>	<p>Section 22. Similar. Technical differences in ordering of terms.</p>
27	<p>Charitable contributions for nonitemizers. Modifies the charitable contribution deduction for nonitemizers to be based on whether the taxpayer itemizes for Minnesota purposes (rather than federal purposes as under present law).</p> <p>Effective date: Tax year 2019.</p>	<p>Section 23. Similar. Differences in cross-references due to different approaches to itemized deductions in bills.</p>
28	<p>Net operating loss. Provides a subtraction for the NOL generated by an excess business loss in section 24.</p> <p>Effective date: Tax year 2026.</p>	<p>No comparable provision.</p>
29	<p>Standard or itemized deductions. Allows a subtraction for either the taxpayer’s standard deduction amount (calculated under section 18 of the bill) or itemized deduction amount (calculated under section 17 of the bill).</p> <p>Effective date: Tax year 2019.</p>	<p>Section 28. Standard or itemized deduction. Provides a subtraction for the amount of the state standard or itemized deduction, which are defined in sections 12 and 13.</p> <p>Effective beginning in tax year 2019.</p>
30	<p>Dependent exemption. Allows a subtraction for the taxpayer’s dependent exemption amount (calculated under section 16 of the bill).</p> <p>Effective date: Tax year 2019.</p>	<p>Section 24. Personal and dependent exemption. Provides a subtraction for the new state personal and dependent exemption, which is established in section 32.</p> <p>Effective beginning in tax year 2019.</p>
31	<p>Conforming change. Changes a reference from FTI to FAGI (for the subtraction for military retirement pay) to be consistent with the article’s change in the starting point for calculating the Minnesota tax.</p> <p>Effective date: Tax year 2019.</p>	<p>Section 25. Same.</p>
32	<p>Deferred foreign income of nonresidents. Provides an individual income tax subtraction for deemed repatriation income for nonresidents.</p> <p>Effective date: When effective for federal purposes.</p>	<p>Section 27. Deferred foreign income. Provides the subtraction for all individual taxpayers.</p> <p>Effective date: same.</p>

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Sec.	Article 1: Federal Conformity	Article 1: Federal Conformity
33	<p>Global intangible low-taxed income; individuals. Provides an individual income tax subtraction for global intangible low taxed income (GILTI).</p> <p>Effective date: Retroactively to tax year 2018.</p>	<p>Section 26. Similar. Technical differences in wording but same substantive effect.</p> <p>Effective retroactively for tax year 2018.</p>
34	<p>Special deductions. Creates an add-back for the federal GILTI and foreign derived intangible income (FDII) deduction under the IRC.</p> <p>Effective date: When effective for federal purposes.</p>	<p>Section 29. Special deductions. Creates add-back for the FDII deduction and the federal preferred rate reduction for deferred foreign income.</p> <p>Effective retroactively to tax year 2018.</p>
	<p>No comparable provision.</p>	<p>Section 27. Deferred foreign income. Provides a subtraction for corporations for foreign-source income that was not subject to tax prior to TCJA, the extent it was included in federal adjusted gross income.</p> <p>Effective the day following final enactment, with changes incorporated by federal changes retroactive to the same time they were effective for federal purposes.</p>
35	<p>Section 179 addition. Fully conforms to the federal section 179 allowances</p> <p>Effective date: Retroactively for tax year 2018.</p>	<p>Section 62. Repealer. Similar. Senate fully conforms to the increased section 179 allowances beginning in tax year 2019.</p>
36	<p>Global intangible low-taxed income; corporations. Provides a corporate franchise tax subtraction for global intangible low taxed income (GILTI).</p> <p>Effective date: Tax year 2018.</p>	<p>Section 29. Same.</p>
37	<p>Conforming change. Makes a conforming change to the lump sum tax to reflect the use of FAGI as the starting point for the tax.</p> <p>Effective date: Tax year 2019.</p>	<p>Section 33. Same.</p>
38	<p>Taxes imposed on exempt entities. Excludes employee fringe benefits from the definition of unrelated business taxable income.</p> <p>Requires a nonprofit corporation required to pay UBIT to add back its federal NOL and claim a Minnesota NOL under the rules applicable to C corporations under the Minnesota tax.</p> <p>Effective date: Retroactively to tax year 2018.</p>	<p>Article 2, Section 16. Provides for nonconformity to the TCJA for purposes of calculating Minnesota unrelated business income tax (UBIT) to allow losses from an unrelated business to offset gains of another member of the unitary group for purposes of a nonprofit’s UBIT liability. Also provides nonconformity to the TCJA to allow nonprofits to deduct the value of certain employer provided benefits (qualified transportation fringe benefits, parking, and on-site athletic facilities) in calculating UBIT, thus offsetting gains that may have resulted from unrelated business activity of a member of its unitary group.</p> <p>Effective date: Retroactively tax year 2018.</p>
39	<p>Inflation adjustment of brackets. Makes a conforming change to reference the new inflation-indexing provision under section 2.</p> <p>Effective date: Tax year 2020.</p>	<p>Section 34. Same.</p>
40	<p>Section 529 plan recapture. Creates a definition of “qualified higher education expenses” by reference to the federal definition, but exclusive of K-12 qualifying education expenses.</p> <p>Effective date: Retroactively to tax year 2018.</p>	<p>No comparable provision.</p>

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Sec.	Article 1: Federal Conformity	Article 1: Federal Conformity
41	Inflation adjustment. Makes a conforming change to the dependent care credit statutes to reference the new inflation-indexing provision under section 2. Effective date: Tax year 2020.	Section 35. Same.
42	Inflation adjustment. Makes a conforming change to the working family credit statutes to reference the new inflation-indexing provision under section 2. Effective date: Tax year 2020.	Section 36. Same.
43	Definitions; conforming changes; long-term care credit. Modifies the long-term care insurance credit to refer to Minnesota, rather than federal, itemized deductions. Effective date: Tax year 2018.	Section 37. Similar. Differences in cross-references due to different approaches to itemized deductions in bills.
44	Long-term care insurance credit; conforming changes. Changes a reference in the long-term care insurance credit from FTI to Minnesota net income. Effective date: Tax year 2018.	Section 38. Same, except for use of the term “taxable net income.”
45	Definitions; marriage credit. Changes a reference in the marriage credit to refer to the Minnesota, rather than the federal, dependent exemption and standard deduction. Effective date: Tax year 2019.	No comparable provision.
46	Definitions; historic structure credit. Clarifies that the entire amount of the historic structure credit allowed under the IRC is allocated in the taxable year that the project is placed in service. Effective date: Tax year 2019.	Sections 39 to 42. Credit for certified historic structure rehabilitation. Update the Minnesota credit to reflect changes made in TCJA to pay the credit or grant over five taxable years instead of the single year the structure was placed in service. Effective retroactively for applications for allocation certificates submitted after December 31, 2017.
47	Credit or grant allowed; historic structure credit. Allows the full amount of the historic structure credit to be taken in the first year the project is placed in service. The federal credit must be taken over a five-year period. Effective date: Tax year 2019.	
48	Definitions; 529 credit. Strikes a reference to the federal definition of “qualified higher education expenses,” which are now defined elsewhere. Effective date: Day following final enactment.	No comparable provision.
49	Credit allowed; inflation adjustment; 529 credit. Makes a conforming change to the 529 credit statutes to reference the new inflation-indexing provision under section 2. Effective date: Tax year 2020.	No comparable provision.
50	Elderly exclusion; conforming change. Changes a reference from FTI to FAGI (in the elderly exclusion) to reflect the article’s change in the starting point of the individual income tax. Effective date: Tax year 2019.	Section 43. Same.
	Similar language appears in section 29.	Section 44. Standard or itemized deduction. Allows an individual to claim the state standard deduction or state itemized deduction. Married separate filers must claim the same type of

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Sec.	Article 1: Federal Conformity	Article 1: Federal Conformity
		deduction. Allows a subtraction for the state standard or state itemized deduction. Effective beginning in tax year 2019.
51	AMT definitions. Modifies the definition of income for purposes of the individual AMT to be consistent with other changes made by the article and to require addition of the deduction for QBI. It also allows the subtractions for the repatriation income of nonresidents, GILTI, and cannabis business expenses. The cannabis business expense subtraction is established in article 2 . Effective date: Tax year 2019.	Section 45. Similar. Cross-references are different reflecting different subtractions in bills. The cannabis business expense subtraction is established in article 2 .
52	Individual AMT exemption amount; indexing. Makes conforming changes to the updated IRC while not conforming to the increased income thresholds under the TCJA. Also updates the inflation adjustment to reference the new inflation adjustment under section 2. Effective date: Day following final enactment	No comparable provision.
53	Corporate AMT. Decouples the state corporate AMT from the federal corporate AMT, which was repealed in the TCJA. The state corporate AMT will continue to reference the IRC as amended through December 16, 2016. Effective date: Tax year 2019.	Section 46. Same.
	No comparable provision.	Section 47. Alternative minimum taxable income. Adds references in the corporate AMT calculation to the subtractions for deferred foreign income (effective retroactively to tax year 2017) and global intangible low-taxed income (effective retroactively to tax year 2018), that were added under earlier sections.
54	Minimum fee. Makes a conforming change to the corporate minimum fee to reference the new inflation-indexing provision under section 2. Effective date: Tax year 2020.	No comparable provision.
55	Net operating losses. Provides that corporate NOLs may not exceed 80 percent of a taxpayer’s net income. Effective date: Retroactively to tax year 2018.	No comparable provision.
56	Allocation of trade or business income. Modifies the definition of “wages” for purposes of allocating trade or business income between Minnesota and non-Minnesota sources. Effective date: Tax year 2019.	Section 48. Same.
57	Unitary taxation; controlled foreign corporations. Creates a new subdivision that deems a controlled foreign corporation (CFC) to be a domestic corporation if the CFC generates GILTI for a U.S. shareholder and the commissioner determines that the CFC is a member of a domestic unitary group. A deemed domestic corporation’s income would then be added to the unitary group’s	No comparable provision.

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Sec.	Article 1: Federal Conformity	Article 1: Federal Conformity
	income and apportioned to Minnesota under the apportionment formula. Effective date: Tax year 2019.	
58	Worldwide election. Creates a new subdivision that allows a taxpayer subject to the GILTI trigger tax of section 57 to elect worldwide reporting, which is binding for ten years. Effective date: Tax year 2019.	No comparable provision.
59	Withdrawal; reinstatement. Allows a taxpayer electing worldwide reporting in section 58 to withdraw from their election, or to reinstate the election due to a hardship. Effective date: Tax year 2019	No comparable provision.
	Same language appears in article 2, section 28.	Section 49. Dividends received from another corporation. Disallows a dividend-received deduction for dividends paid from stock that is debt-financed, which is disallowed under the IRC. Effective beginning in tax year 2019.
60	Deemed repatriation income. Provides that deferred foreign income deemed by TCJA to be includible in subpart F income for tax year 2017 is dividend income. Effective date: When effective for federal purposes.	No comparable provision.
	No comparable provision.	Section 50. Insurance companies; computation of limit on interest expense. Provides that the interest limitation for corporations that are part of an affiliated group of companies that include insurance companies (exempt from corporate franchise tax because they pay premium tax) are to be computed by including the insurance company's income in determining how the limit applies. This parallels the federal treatment, which imposes the corporate income tax on insurance companies. Effective beginning in tax year 2019.
61	Wages for withholding tax. Modifies the definition of "wages" for purposes of withholding tax to include section 83(i) qualified stock election under TCJA. Effective date: Tax year 2019	Section 51. Same.
62	Withholding exemptions. Requires a taxpayer's withholding exemptions to be calculated using the new standard deduction and dependent exemption amounts.	No comparable provision.
63	Special limited adjustment. Establishes a "special limited adjustment to tax" for individual income tax filers in tax year 2018 only. The adjustment allows taxpayers in tax year 2018 to elect to itemize their deductions for state purposes, even if they claimed the federal standard deduction. The section also establishes an adjustment to tax for tax year 2018 equal to the difference in tax between the pre-conformity and post-conformity tax calculations. This effectively means that even though the bill generally conforms to TCJA and	No comparable provision.

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Sec.	Article 1: Federal Conformity	Article 1: Federal Conformity
	<p>BBA retroactively, as a general rule conformity will not affect the tax paid in tax year 2018.</p> <p>However, the bill outlines a list of sections of the BBA and TCJA to which the special adjustment does not apply. Conformity to the provisions listed is retroactive and will affect the tax paid in 2018.</p>	
64	<p>Property tax refund income definition and exemption amounts. Modifies the definition of household income under the property tax refund for renters and the homestead credit refund programs to eliminate the addition for the domestic production deduction, which was repealed by the TCJA, and to include nontaxable alimony received by the claimant. The section also requires alimony to be paid to be excluded from household income.</p> <p>References to the exemption amount in the definition of household income are tied to the dependent exemption amount under the Minnesota income tax.</p> <p>Effective date: Refunds based on property taxes payable in 2020 and rent paid in 2019.</p>	<p>Section 52. Similar. Differences in cross-references due to different approaches to codifying exemptions in bills.</p>
65	<p>Gross rent amount; indexing. Sets the gross rent amounts for nursing homes, foster care homes, and intermediate care facilities at the 2018 amounts and converts indexing to the C-CPI-U index.</p> <p>Effective date: Refunds based on rent paid in 2019.</p>	<p>Section 53. Similar. Senate language rebases rent amounts.</p>
66	<p>PTR update. Updates the reference to the Internal Revenue Code for purposes of the property tax refund chapter.</p> <p>Effective date: Refunds based on property taxes payable in 2020 and rent paid in 2019.</p>	<p>Section 54. Similar. Minor technical differences in effective dates.</p>
67	<p>PTR inflation indexing. Converts indexing of the HCR and PTR schedules to the C-CPI-U index.</p> <p>Effective date: Adjustments for refunds based on rent paid in 2020 and property taxes payable in 2021.</p>	<p>Section 55. Similar. Minor technical differences in effective dates.</p>
68	<p>Scope; estate tax. Makes a conforming change to the updated IRC for the definition of “Internal Revenue Code” in the estate tax chapter.</p> <p>Effective date: When effective for federal purposes.</p>	<p>Section 56. Same, except for verb tense in effective date.</p>
69	<p>Sales tax exemption. Provides that TCJA’s change in the like-kind exchange rules (limiting them to real property) does not apply for purposes of the sales tax exemption for occasional sales.</p> <p>Effective date: effective for sales and purchases after December 31, 2017.</p>	<p>Section 57. Similar. Effective for sales and purchases after December 31, 2018.</p>
70	<p>Sales tax exemption. Provides that TCJA’s change in the like-kind exchange rules (limiting them to real property) does not apply for purposes of the motor vehicle sales tax exemption.</p> <p>Effective date: effective for sales and purchases after December 31, 2017.</p>	<p>Section 58. Similar. Effective for sales and purchases after December 31, 2018.</p>

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Sec.	Article 1: Federal Conformity	Article 1: Federal Conformity		
71	First-time homebuyer savings account; conforming changes. Changes a reference from FTI to FAGI (in the subtraction under the first-time homebuyer savings account program) to reflect the article’s change in the starting point of the individual income tax from FTI to FAGI. Effective date: Tax year 2019.	Section 59. Same.		
72	First-time homebuyer savings account; conforming change. Changes a reference from FTI to FAGI (in the addition under the first-time homebuyer savings account program) to reflect the article’s change in the starting point of the individual income tax from FTI to FAGI. Effective date: Tax year 2019.	Section 60. Same.		
73	JOBZ subtraction; conforming change. Changes a reference from FTI to FAGI (in the JOBZ subtraction) to reflect the article’s change in the starting point of the individual income tax from FTI to FAGI. Effective date: Tax year 2019.	Section 61. Same.		
74	Special provision for tax year 2017. For tax year 2017, does not conform retroactively to mortgage insurance premium deduction and tuition subtraction.	No comparable provision.		
75	Revisor instruction; inflation indexing. Requires the Revisor of Statutes to publish the statutory year amounts in the 2019 Supplement of Minnesota Statutes. This change is part of the new inflation indexing rules in section 2.	Section 61. Same. Minor technical differences.		
76	Repealer. Senate section 62. Repeals the following provisions:			
	Section	Description	House	Senate
	290.0131, subd. 7	Individual income tax addition for fines, fees, and penalties (individuals), which is now included federal income.	Repealed	Repealed
	290.0131, subd. 10	Individual income tax addition for Section 179 expensing.	Similar House provision in section 21.	Repealed
	290.0131, subd. 11	Individual income tax addition (individuals) for domestic production activities.	Repealed	Repealed
	290.0131, subd. 12 and 13	Individual income tax addition for itemized deductions and exemptions that were disallowed federally.	Repealed	
	290.0132, subdivision 8	Subtraction for subnational foreign taxes.	Repealed	
	290.0133, subd. 12.	Corporate franchise tax addition for Section 179 expensing.	Similar House provision in section 35.	Repealed
	290.0133, subd. 13	Addition (corporations) for domestic production activities.	Repealed	Repealed
	290.0133, subd. 14	Addition for fines, fees, and penalties (corporations), which is now included federal income.	Repealed	Repealed
	290.10, subd. 2	Disallowance of trade or business expense for fines, fees, and penalties, which now are disallowed by federal law.	Repealed	Repealed

HOUSE

SENATE

Sec.	Article 2: Income, Corporate, and Estate Taxes	Article 2: Income, Corporate Franchise, and Estate Taxes
1	<p>Definitions; angel credit. Lowers the investment threshold for qualified investments in greater Minnesota or minority- or women-owned businesses from \$10,000 to \$7,500.</p> <p>Effective date: Tax year 2019.</p>	<p>Section 1. Angel credit. Adds veterans and veteran-owned businesses to the entities included in the allocation set-aside for certain businesses.</p> <p>Effective date: Tax year 2019.</p>
2	<p>Certification of qualified small businesses; angel credit. Deletes an obsolete reference.</p> <p>Effective date: Tax year 2019.</p>	<p>No comparable provision.</p>
3	<p>Certification of qualified investors; angel credit. Deletes an obsolete reference.</p> <p>Effective date: Tax year 2019.</p>	<p>No comparable provision.</p>
4	<p>Certification of qualified funds; angel credit. Deletes an obsolete reference.</p> <p>Effective date: Tax year 2019.</p>	<p>No comparable provision.</p>
5	<p>Credit allowed; angel credit. Allocates \$10 million to the small business investment credit for tax years 2019 and 2020.</p> <p>Effective date: Tax year 2019.</p>	<p>Section 2. Angel investment credit. Allocates \$5 million for the angel investment credit for tax year 2019.</p> <p>Effective date: Tax year 2019.</p>
6	<p>Annual reports; angel credit. Lowers the fine for failing to file an annual report from \$500 to \$100 but allows the commissioner to revoke the credit or trigger the credit repayment provisions if a report is not filed by April 1.</p> <p>Effective date: Tax year 2019.</p>	<p>No comparable provision.</p>
7	<p>Sunset; angel credit. Modifies the sunset for the small business investment credit to conform to the allocation provided in section 5.</p> <p>Effective date: Tax year 2019.</p>	<p>Section 3. Angel investment credit. Similar. The only difference is the tax years to which the sunset applies given the one-year allocation in section 2.</p> <p>Effective date: Tax year 2019.</p>
8	<p>Incidence report. Allows the minority lead of the house and senate taxes committees to request an incidence analysis.</p> <p>Effective date: Day following final enactment.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p>Section 4. Election to file as a C corporation. Authorizes the election for a qualifying entity (partnerships, LLCs, or S corporations) to file as a “C-option corporation.” The election may be made only by those with a more than 50 percent interest in the qualifying entity and is binding on all who have an ownership interest in the qualifying entity. A partner’s, member’s, or shareholder’s adjusted basis in the qualifying entity must be as though the C-option election was not made. The effect of the election is that the business’s income is taxed at the entity level for state purposes. Individual members, partners, and shareholders would pay state individual income tax on their share of income received from the qualifying entity, but would subtract income received from the qualifying entity for purposes of calculating federal taxable income. A qualifying entity would also claim a credit against Minnesota income tax for taxes paid to another state on its composite return. At the federal level, a qualifying</p>

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Sec.	Article 2: Income, Corporate, and Estate Taxes	Article 2: Income, Corporate Franchise, and Estate Taxes
		<p>entity could subtract its Minnesota taxes paid, resulting in reduced net income for the business. This reduced amount is then apportioned among members, partners, and shareholders based on their interest in the business.</p> <p>Effective date: Elections made in tax years beginning in 2019.</p>
	<p>No comparable provision.</p>	<p>Section 5. Joint income tax returns. Modifies a provision in the tax administration chapter pertaining to joint returns by adding a reference to the Internal Revenue Code to allow automatic relief for Minnesota taxpayers who qualify for equitable innocent spouse relief at the federal level.</p> <p>Effective date: Elections made in tax years beginning in 2019.</p>
<p>9</p>	<p>Return required; estate tax. Makes a conforming change to the filing requirements for estate tax returns to reflect section 28’s modification of the exclusion.</p> <p>Effective date: Estates of decedents dying in 2019.</p>	<p>No comparable provision.</p>
<p>10</p>	<p>Financial institution; captive insurance companies. Eliminates the requirement that exempt insurance companies must be subject to the premiums tax. Under current law, companies that do not write coverage on Minnesota risks would be considered captives.</p> <p>Effective date: Retroactively to tax year 2017.</p>	<p>Section 6. Same.</p>
<p>11</p>	<p>Disqualified captive insurance company. Defines a “disqualified captive insurance company” for corporate franchise tax purposes. Disqualified captives are subject to the corporate franchise tax and must be included in a unitary businesses combined return.</p> <p>Effective date: Retroactively to tax year 2017</p>	<p>Section 7. Disqualified captive insurance company. Establishes a definition of “captive insurance company” for purposes of determining whether the company becomes a disqualified captive insurance company and is therefore subject to corporate franchise tax. A captive insurance company is a company licensed as a captive insurance company or derives less than 50 percent of its total premiums from sources outside of the unitary business. A captive insurance company is a disqualified captive insurance company if it meets the criteria above <i>and</i> receives less than 50 percent of its gross receipts from premiums, or pays less than 0.5 percent of its total premiums under state insurance premium tax or comparable tax in another state.</p> <p>Effective date: Retroactively to tax year 2017</p>
	<p>No comparable provision.</p>	<p>Section 8. Equity and opportunity donations. Requires individual filers to include equity and opportunity in education donations when calculating Minnesota taxable income. Because these amounts would be deducted as a charitable contribution in calculating federal taxable income, they must be added back to Minnesota taxable</p>

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Sec.	Article 2: Income, Corporate, and Estate Taxes	Article 2: Income, Corporate Franchise, and Estate Taxes
		income for purposes of claiming the credit authorized in a later section. Effective date: Tax year 2020.
		Section 9. Education expenses. Modifies a cross-reference to clarify that amounts used to claim the dependent care credit and the education expense credit must not be used to claim expenses under the education expense subtraction. Adds expenses for prekindergarten educational programs to the expenses eligible for the subtraction. Effective date: Tax year 2020.
12	Social Security subtraction. Increases the Minnesota Social Security subtraction by \$1,300 for married couples filing joint returns, and by \$650 for single and head of household taxpayers. Reduces the phaseout thresholds for the subtraction. Effective date: Tax year 2019.	Section 10. Social Security benefits. Clarifies that the subtraction under current law applies to taxable Social Security benefits. Increases the subtraction for married joint filers from \$4,500 to \$6,150, for single or head of household filers from \$3,500 to \$4,800, and for married separate filers from \$2,250 to \$3,075. Effective date: Tax year 2019. Strikes inflation adjustment language and adds a reference to the new inflation adjustment provision created in the general law in Article 1, Effective date: Tax year 2020.
13	Disallowed section 280E expenses; individuals. Provides an individual income tax subtraction for a medical marijuana manufacturer’s business expenses. Effective date: Tax year 2019.	Section 11. Same.
	No comparable provision.	Section 12. Income of partners, members, or shareholders. Authorizes a subtraction for purposes of calculating Minnesota taxable income for net income received by a member, partner, or shareholder of a partnership, limited liability company, or S corporation for purposes of calculating federal taxable income when the entity has elected to file as a C-option corporation allowed under section 3. Effective date: Tax year 2019.
	No comparable provision.	Section 13. Equity and opportunity donations. Requires corporate filers to include equity and opportunity in education donations when calculating Minnesota taxable income. Because these amounts would be deducted as a charitable contribution in calculating federal taxable income, they must be added back to Minnesota taxable income for purposes of claiming the credit authorized in a later section. Effective date: Tax year 2020.
14	Disallowed section 280E expenses; corporations. Provides a corporate franchise tax subtraction for a medical marijuana manufacturer’s business expenses. Effective date: Tax year 2019.	Section 14. Same.

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Sec.	Article 2: Income, Corporate, and Estate Taxes	Article 2: Income, Corporate Franchise, and Estate Taxes
15	<p>Exempt entities; captive insurance companies. Incorporates section 10’s definition of disqualified captive insurance companies in the definition of exempt entities.</p> <p>Effective date: Retroactively to tax year 2017</p>	<p>Section 15. Same.</p>
	<p>Article 1, section 38. Excludes employee fringe benefits from the definition of unrelated business taxable income.</p> <p>Requires a nonprofit corporation required to pay UBIT to add back its federal NOL and claim a Minnesota NOL under the rules applicable to C corporations under the Minnesota tax.</p> <p>Effective date: Retroactively to tax year 2018.</p>	<p>Section 16. Taxes imposed on exempt entities. Provides for nonconformity to the TCJA for purposes of calculating Minnesota unrelated business income tax (UBIT) to allow losses from an unrelated business to offset gains of another member of the unitary group for purposes of a nonprofit’s UBIT liability. Also provides nonconformity to the TCJA to allow nonprofits to deduct the value of certain employer provided benefits (qualified transportation fringe benefits, parking, and on-site athletic facilities) in calculating UBIT, thus offsetting gains that may have resulted from unrelated business activity of a member of its unitary group.</p> <p>Effective date: Retroactively tax year 2018.</p>
16	<p>Additional tax on “preferential rate” income.</p> <p>Subd. 1. Definitions. Defines “net capital gain” and “preferential rate income,” and “adjusted net capital gain.”</p> <p>Subd. 2. Tax imposed; capital gains. Imposes a 3 percent tax on preferential rate income in excess of \$500,000. The tax is in addition to the individual income tax and alternative minimum tax.</p> <p>Subd. 3. Nonresidents. Allows nonresidents and part-year residents to apportion the additional tax.</p> <p>Subd. 4. Credit for taxes paid to another state. Reduces the credit for taxes paid to another state for taxpayers who earned a capital gains exclusion, deduction, or exemption under the state’s tax.</p> <p>Effective date: Tax year 2019.</p>	<p>No comparable provision.</p>
17	<p>Schedule of rates for individuals, estates, and trusts. Increases the starting point of the second individual income tax bracket, and reduces the starting point for the third individual income tax bracket.</p> <p>Effective date: Tax year 2019.</p> <p>The section also adjusts the numerator and denominator used to calculate an individual income taxpayer’s Minnesota residency percentage to account for the changes in the conformity article.</p>	<p>Section 16. Reduces the second tier income tax rate from 7.05 percent to 6.8 percent beginning in tax year 2019, and further reduces the rate to 6.67 percent beginning in tax year 2022. Modifies the cross-references in the formula for apportioning nonresident income to include provisions added in other sections of the article.</p> <p>Effective date: Tax year 2019.</p>
	<p>No comparable provision.</p>	<p>Section 17. Inflation adjustment of brackets. Strikes language providing for inflation adjustment of the income brackets and adds a reference to the new inflation adjustment provision created under general law in article 1.</p>

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Sec.	Article 2: Income, Corporate, and Estate Taxes	Article 2: Income, Corporate Franchise, and Estate Taxes
		Effective for adjustments beginning with tax year 2020.
	No comparable provision.	<p>Section 18. Credit for taxes paid to another state. Authorizes a qualifying entity electing to file as a C-option corporation to claim a credit for tax paid to another state on its composite return.</p> <p>Effective date: Elections made in tax years beginning in 2019.</p>
	No comparable provision.	<p>Section 19. Credit allowed. Adds expenses for prekindergarten educational programs to the expenses eligible for the education expense credit. Amounts used to claim the credit must not be used to claim the dependent care credit. Defines “prekindergarten educational program” as:</p> <ul style="list-style-type: none"> • public school prekindergarten programs; • accredited preschools, nursery schools, and early childhood development programs licensed by DHS; • accredited or affiliated Montessori programs; and • child care programs provided by early childhood credentialed day care providers. <p>Effective date: Tax year 2020.</p>
18	<p>Working family credit. Expands the working family credit. The bill expands the credit for taxpayers with 0, 1, and 2 children, and adds an additional tier for taxpayers with 3 or more children.</p> <p>Effective date: Tax year 2019.</p>	No comparable provision.
	No comparable provision.	<p>Section 20. Limitations. Increases the income threshold at which eligibility for the K-12 credit begins to phase out from \$33,500 to \$39,000. Strikes the reference to “household” income, since “income” is defined in another subdivision within the credit.</p> <p>Effective date: Tax year 2020.</p>
	No comparable provision.	<p>Section 21. Inflation adjustment. Strikes language providing for inflation adjustment of the income brackets and adds a reference to the new inflation adjustment provision created under general law in article 1.</p> <p>Effective date: Tax year 2021.</p>
19	<p>Military service credit. Increases the phaseout threshold for the credit from \$30,000 to \$50,000 of AGI.</p> <p>Effective date: Tax year 2019.</p>	No comparable provision.
20	Student loan credit; definitions. Amends the definition of “earned income” to reference the	No comparable provision.

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Sec.	Article 2: Income, Corporate, and Estate Taxes	Article 2: Income, Corporate Franchise, and Estate Taxes
	<p>definition of “earned income” in the marriage penalty credit.</p> <p>This change allocates the couple’s adjusted gross income to each spouse based on their pro rata share of the couple’s earned income. Effective date: tax year 2019.</p>	
21	<p>Student loan credit; credit allowed. Requires the Department of Revenue to allocate the couple’s combined adjusted gross income to each individual spouse based on the spouse’s percentage share of the couple’s earned income.</p> <p>Effective date: Tax year 2019.</p>	<p>No comparable provision.</p>
22	<p>Credit allowed; 529 credit. Makes a technical change to the phaseout of the 529 credit for married couples filing joint returns.</p> <p>Effective date: Tax year 2020.</p>	<p>No comparable provision.</p>
23	<p>Credit allowed; stillbirth credit. Modifies the stillbirth credit to provide that it is allowed to an “eligible individual” (defined in section 24) and to eliminate the test that allows the credit based on who would have qualified to claim the stillborn child as a tax dependent. Apportionment of the credit for nonresidents is eliminated, but retained for part-year residents.</p> <p>Effective date: Retroactive to tax year 2016 (original effective date of the credit).</p>	<p>No comparable provision.</p>
24	<p>Definitions; stillbirth credit. Modifies various definitions for the stillbirth credit related to certificates of birth (to clarify that the certificate must be printed and is for a birth resulting in stillbirth), eligible individuals (to clarify eligibility in the case of a surrogacy arrangement or for out-of-state births not meeting state certificate requirements), and stillbirth (to clarify the treatment under the credit for stillbirths occurring outside Minnesota).</p> <p>Effective date: Retroactive to tax year 2016.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p>Section 22. Minnesota housing tax credit program; definitions. Establishes definitions for the proposed tax credit in section 30.</p>
	<p>No comparable provision.</p>	<p>Section 23. Equity and opportunity in education tax credit.</p> <p>Subdivision 1. Provides definitions for the following significant terms used in the credit:</p> <p>“Eligible student” means a student who:</p> <ul style="list-style-type: none"> • is a Minnesota resident; • with household has annual income less than twice the income standard used to qualify for the federal reduced price lunch program or has a disability as identified under state or federal law; and

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Sec.	Article 2: Income, Corporate, and Estate Taxes	Article 2: Income, Corporate Franchise, and Estate Taxes
		<ul style="list-style-type: none"> • meets one of the following criteria: <ul style="list-style-type: none"> ○ attended a public, nonpublic, or homeschool in the semester before receiving a scholarship; ○ is age six or younger and not enrolled in kindergarten or first grade in the semester before receiving a scholarship or transportation scholarship; ○ previously received a scholarship or transportation; or ○ lived in Minnesota for less than a year before receiving a scholarship or transportation scholarship. <p>“Qualified charter school” means a charter school at which at least 30 percent of students qualify for the federal reduced-price lunch program.</p> <p>“Qualified school” means a nonpublic elementary or secondary school in Minnesota at which a student may fulfill the state’s compulsory attendance laws that is not operated for profit; adheres to federal and state equal rights laws; administers approved standardized tests for requisite grade levels and annually reports student performance on the test.</p> <p>“Qualified foundation” means a 501(c)(3) nonprofit organization that has been approved by the commissioner.</p> <p>“Qualified grant” means a grant from a qualified foundation to a qualified charter school for use in supporting the school’s mission of educating students in academics, arts, or athletics, including transportation.</p> <p>“Qualified public school foundation” means a qualified foundation whose primary purpose is supporting public schools or school districts in the state at which at least 30% of students qualify for the federal free or reduced price lunch program.</p> <p>“Qualified scholarship” means a payment from a foundation to or on behalf of a parent or guardian for the cost of an eligible student’s tuition for enrollment at a qualified school, not to exceed 70 percent of average state general education revenue per pupil unit.</p> <p>“Qualified transportation scholarship” means a payment from a foundation to or on behalf of a parent or guardian for the cost of an eligible student’s transportation to a qualified school, not to</p>

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Sec.	Article 2: Income, Corporate, and Estate Taxes	Article 2: Income, Corporate Franchise, and Estate Taxes
		<p>exceed 70 percent of average state general education revenue per pupil unit.</p> <p>Subdivision 2. Credit allowed. Authorizes a credit of 70 percent of the donation amount made in a taxable year, up to specified amounts. The maximum annual credit is \$21,000 for married joint filers, \$10,500 for other individual filers, and \$105,000 for corporations. The credit is not allowed for taxpayers who designate a specific child as the beneficiary of a scholarship. Taxpayers must be issued a credit certificate to claim the credit. The credit is nonrefundable but may be carried forward for up to five tax years.</p> <p>Subdivision 3. Application for credit certificate. Requires taxpayers to apply to the commissioner of revenue for a tax credit certificate in order to claim the credit. Credits must be issued on a first-come, first-served basis. The maximum amount of credits that may be allocated by the commissioner in a tax year is \$26.5 million.</p> <p>Subdivision 4. Responsibilities of qualified foundations. Requires participating foundations that award scholarships to eligible students to: not restrict scholarships to any one qualified school; not charge fees to scholarship applicants; sign an agreement with a qualified school that the school will not use different admissions standards for students with qualified scholarships; and give priority to students in households with total income not greater than twice the income standard used to qualify for the federal reduced price lunch program.</p> <p>Foundations must apply to the commissioner to be a qualified foundation. The application must document that the entity is a 501(c)(3) nonprofit and demonstrate the entity’s accountability and financial viability.</p> <p>Foundations must provide receipts to taxpayers who make donations and if a foundation awards scholarships, it must annually verify that each school to which it awards scholarships: complies with health and safety laws; holds a valid occupancy permit if required; certifies that it adheres to federal civil rights laws and the human rights chapter of Minnesota law; and administers standardized testing and provides the foundation with a report on student performance.</p> <p>Foundations must annually report by June 1 the following: financial viability; documentation of criminal background checks of employees and board members; documentation that it has used donations to provide scholarships, transportation scholarships, or grants; a list of qualified schools to which it provided scholarships, transportation</p>

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Sec.	Article 2: Income, Corporate, and Estate Taxes	Article 2: Income, Corporate Franchise, and Estate Taxes
		<p>scholarships, or grants; for qualified public school foundations, a list of expenditures made in support of public schools; the number and dollar amount of donations received and scholarships, transportation scholarships, and grants awarded; for public school foundations, the number and dollar amount of expenditures made in support of the mission of public schools or school districts; and the amount used for administrative expenses. Foundations may use up to five percent of donations received for administrative expenses.</p> <p>Subdivision 5. Responsibilities of commissioner. Requires the commissioner to make applications for qualified foundations available by August 1 of each year, to approve or deny applications within 60 days and to notify foundations that submitted incomplete documentation that it may reapply within 30 days. Requires the commissioner to post a list of qualified foundations on the Department’s website by November 15 of each year. Directs the commissioner to develop standard forms for use as receipts and for reporting by foundations. Authorizes the commissioner to conduct audits of foundations after finding evidence of fraud or intentional misreporting, notify a foundation that fails to submit required information, and allow for the foundation to remedy its noncompliance.</p> <p>Subdivision 6. Special education services. Provides that a student’s receipt of a scholarship or transportation scholarship does not affect eligibility for special education services.</p> <p>Subdivision 7. Mandatory inclusion. Prohibits the exclusion of or denial of benefits to individuals with a disability from any program or activity receiving funding from qualified scholarship donations or qualified transportation scholarship donations.</p> <p>Effective date: Tax year 2020.</p>
	<p>Article 1, section 51. AMT definitions. Modifies the definition of income for purposes of the individual AMT to be consistent with other changes made by the article and to require addition of the deduction for QBI. It also allows the subtractions for the repatriation income of nonresidents, GILTI, and cannabis business expenses. The cannabis business expense subtraction is established in article 2.</p> <p>Effective date: Tax year 2019.</p>	<p>Article 1, section 51. AMT definitions. Similar. Does not include the reference to repatriation income of nonresidents and GILTI.</p>
25	<p>Alternative minimum tax; corporations. Allows a subtraction under the corporate AMT for the medical cannabis subtraction in section 13.</p> <p>Effective date: Tax year 2019.</p>	<p>Section 24. Same.</p>

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Sec.	Article 2: Income, Corporate, and Estate Taxes	Article 2: Income, Corporate Franchise, and Estate Taxes
26	<p>Unitary business principle; combined returns; captive insurance companies. Requires foreign and domestic disqualified captive insurance companies to include their income and apportionment factors in the combined report and modifies the definition of a taxable captive to conform to the changes in section 10.</p> <p>Effective date: Retroactively to tax year 2017</p>	<p>Section 25. Same.</p>
	<p>No comparable provision.</p>	<p>Section 26. Withholding by partnerships. Exempts partnerships from withholding requirements under current law if the partnership has elected to be taxed as a C-option corporation.</p> <p>Effective date: For elections made beginning in tax year 2019.</p>
	<p>No comparable provision.</p>	<p>Section 27. Withholding by S corporations. Exempts S corporations from withholding requirements under current law if the S corporation has elected to be taxed as a C-option corporation.</p> <p>Effective date: For elections made beginning in tax year 2019.</p>
27	<p>Determination of sales factor. Amends the current provision that requires corporate mutual fund managers to apportion their sales based on the location of the fund’s shareholders to include non-corporate mutual fund managers (i.e., pass-through entities).</p> <p>Effective date: Tax year 2019.</p>	<p>No comparable provision.</p>
28	<p>Dividends received from another corporation. Disallows the dividend received deduction on dividends received on debt-financed stock.</p> <p>Effective date: Tax year 2019.</p>	<p>Article 1, section 49. Same.</p>
29	<p>Subtraction; estate tax. Freezes the estate tax exemption at \$2.7 million. Under current law, the exemption in 2020 will be \$3 million.</p> <p>Effective date: estates of decedents dying in 2019.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p>Section 28. Qualified small business property. Modifies the three-year holding period requirement for the estate tax qualified small business property subtractions to allow ownership of the property by the decedent’s spouse, or undivided or joint interest in the property between the decedent and decedent’s spouse, to meet the three-year continuous ownership requirement by the decedent prior to death.</p> <p>Effective date: Retroactively for estates of decedents dying after December 31, 2017</p>
	<p>No comparable provision.</p>	<p>Section 29. Qualified farm property. Modifies the three-year holding period requirement for the estate tax qualified farm property subtraction to allow ownership of the property by the decedent’s spouse, or undivided or joint interest in the</p>

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Sec.	Article 2: Income, Corporate, and Estate Taxes	Article 2: Income, Corporate Franchise, and Estate Taxes
		<p>property between the decedent and decedent’s spouse, to meet the three-year continuous ownership requirement by the decedent prior to death.</p> <p>Effective date: Retroactively for estates of decedents dying after December 31, 2017</p>
	No comparable provision.	<p>Section 30. Minnesota housing tax credit contribution fund. Establishes a fund administered by the commissioner of housing finance, who may award grants or loans to federally recognized tribes or subdivisions, tribal housing corporations, private developers, nonprofit organizations, and HRA, or a public housing authority for the construction, rehabilitation, acquisition, and financing of single and multifamily housing developments for persons and families of low and moderate income. The fund is established only if the credit is established.</p> <p>Effective date: Tax year 2020.</p>
	No comparable provision.	<p>Section 31. Special waiver of income tax penalties. Provides that the penalties for failure to remit estimated tax payments do not apply for taxpayers who expect to owe less than \$1,000 and submit a request for waiver of penalty attesting that the underpayment was due to uncertainties in tax planning due to enactment of the federal Tax Cuts and Jobs Act. The commissioner must prescribe the form and manner for requesting the waiver. For taxpayers who do not request a waiver, the penalty under current law applies.</p> <p>Effective date: Day following final enactment for tax years 2018 and 2019.</p>
30	<p>Application of small business investment credit for 2019. Creates a special provision so that the angel credit may be taken in tax year 2019 per the allocation in section 5.</p> <p>Effective date: tax year 2019.</p>	<p>Section 32. Requires DEED to make applications for certification as a qualified small business, qualified investor, or qualified fund and for the angel investment credit available within 30 days of the day following final enactment of an act that extends the angel credit for tax year 2019.</p> <p>Effective date: Day following final enactment.</p>
31	<p>State historic structure credit; special provision for the Minnesota Museum of American Art. Deems the rehabilitation of the Minnesota Museum of American Art Creative Center to qualify for the state historic structure rehabilitation credit, if the project is consistent with the historic character of the certified structure.</p>	No comparable provision.
32	<p>Tax expenditure statement of intent. Establishes purpose statements for the Angel Credit and cannabis subtraction.</p>	No comparable provision.

Sec.	Article 3: Sales Tax	Article 3
1	<p>Use of a portion of county fair revenue. Provides that a county agricultural society must use an amount equal to the forgone sales tax revenue</p>	<p>Section 1. Same</p>

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Sec.	Article 3: Sales Tax	Article 3
	<p>provided by the exemption under section 16 for maintaining, improving, and expanding the society-owned fairground buildings and facilities. If the fairgrounds are owned by another entity the amount must be transferred to the owner of the fairgrounds to be used for that same purpose.</p> <p>Effective July 1, 2019.</p>	
<p>2</p>	<p>Marketplace provider information report. Requires a marketplace provider to file a quarterly report with the Department of Revenue containing the following data for each retailer making sales on their website:</p> <ul style="list-style-type: none"> • the total gross sales for the quarter; • the total taxable sales for the quarter; • the amount of state sales tax collected and remitted; and • the total collected and remitted for each local sales tax in the state. <p>Effective for sales made after June 30, 2019.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p>Section 2. Sales and use tax. Exempts vendors of construction materials (defined as businesses classified in the following groups: sawmills and wood preservation; veneer, plywood, and wood products manufacturing; millwork manufacturing; cement and concrete product manufacturing; and lumber and other construction materials wholesalers) from the June accelerated remittance requirement. Vendors in these industries with liabilities of \$10,000 or more and less than \$250,000 would not be included in the exemption and would continue to remit their liabilities as under current law. Effective for sales and purchases made after June 30, 2019.</p>
<p>3</p>	<p>Penalty for failure to report. Imposes a penalty for not filing the information report in section 2. The penalty is \$500 for each failure to report and is \$1,000 if the failure to report is intentional.</p> <p>Effective for sales and purchases made after June 30, 2019.</p>	<p>No comparable provision.</p>
<p>4</p>	<p>Definitions. Reorganizes the definitions used in establishing the duty to collect sales and use tax in response to the Wayfair case.</p> <p>Paragraph (a) defines a retailer or marketplace provider maintaining a place of business (physical presence) in this state.</p> <p>Paragraphs (b) and (c) define a retailer or marketplace provider with economic presence that must collect and remit the sales tax. This language is identical to the language that is being repealed in subdivision 32. Changes the current de minimis provision for remote sellers and remote marketplace providers to match the de minimis in the Wayfair case (either 200 retail sales or \$100,000 in retail sales into the state during the last 12-month period).</p>	<p>No comparable provision.</p>

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Sec.	Article 3: Sales Tax	Article 3
	<p>Paragraph (d) is the existing definition of “marketplace provider.”</p> <p>Paragraph (e) is the existing definition of “destination of a sale” that used to be in paragraph (b).</p> <p>Effective for sales and purchases made after September 30, 2019.</p>	
<p>5</p>	<p>Collection and remittance requirements for retailers and marketplace providers. Provides for who is responsible for collecting the tax and when remote sellers must begin collecting the tax or when they may discontinue collecting the tax.</p> <p>Paragraph (a) requires all retailers to collect and remit taxes on all sales <u>except</u> those facilitated by a marketplace provider that is collecting and remitting the sales tax.</p> <p>Paragraph (b) strikes language providing a separate (lower) de minimis for retailers making sales only through marketplace providers. Requires all marketplace providers to collect and remit tax on sales they facilitate unless:</p> <ol style="list-style-type: none"> 1. a retailer provides the marketplace provider with a copy of its registration to collect the tax; and 2. the marketplace provider and retailer agree that the retailer will collect the tax on these sales. <p>Paragraph (c) states that nothing in paragraph (b) prohibits the retailer and marketplace providers from entering into an agreement about who will collect and remit the tax.</p> <p>Paragraph (d) states that a remote retailer or marketplace provider must begin collecting and remitting the sales tax no later than 60 days after meeting the de minimis requirement and must continue to collect and remit for at least 12 months.</p> <p>Paragraphs (e) and (f) outline the steps a remote retailer or marketplace provider must take in order to cease collecting the sales tax after no longer soliciting sales in this state.</p> <p>Effective for sales and purchases made after September 30, 2019.</p>	<p>No comparable provision.</p>
<p>6</p>	<p>Marketplace provider liability. Eliminates language related to when a remote seller must collect the tax. This language was moved to section 4, paragraph (b). States that a marketplace provider is subject to audit on the sales for which it must collect and remit sales tax. Limits the liability for a tax error due to incorrect or insufficient information provided to the marketplace provider by a retailer using the site.</p> <p>Effective for sales and purchases made after September 30, 2019.</p>	<p>No comparable provision.</p>
<p>7</p>	<p>Ambulance accessories, supplies, parts, and equipment. Expands the sales tax exemption for</p>	<p>No comparable provision.</p>

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Sec.	Article 3: Sales Tax	Article 3
	<p>ambulance to cover first responder vehicles and to exempt all accessories, equipment, and supplies used to equip, supply, or resupply these vehicles.</p> <p>Effective for sales and purchases made after June 30, 2019.</p>	
	<p>No comparable provision.</p>	<p>Section 3. Ticket purchasing rights to collegiate events. Provides that the sale of the privilege of admission does not include the amount paid for the right to purchase “preferred” seating if that amount is used entirely to pay scholarship costs; is separately stated from the admission price; and the admission price for a ticket in the preferred area is at least as much as the highest-priced ticket for the closest seat outside of the preferred area. Effective for sales and purchases made after June 30, 2019.</p>
<p>8</p>	<p>Certain herbicides. Provides a sales tax exemption for herbicides when purchased by lakeshore property owners, an association of lakeshore property owners, or by a contractor hired to provide the invasive aquatic plant management. Only covers herbicides: (1) labeled for use in water; (2) registered with the Department of Agriculture for use on invasive aquatic plants; and (3) listed as one of the herbicides proposed for use on the invasive aquatic plant management permit.</p> <p>Effective for sales and purchases made after June 30, 2019.</p>	<p>Section 4. Certain herbicides. Similar. Exemption does not include provision for contractors hired to provide invasive aquatic plant management and does not include requirements (1) and (3).</p> <p>Effective for sales and purchases made after June 30, 2019.</p>
<p>9</p>	<p>Prizes. Allows a sales tax exemption for the purchase of items used as prizes in connection with charitable gambling.</p> <p>Effective for sales and purchases made after June 30, 2019.</p>	<p>No comparable provision.</p>
<p>10</p>	<p>Films. Provides a two-year sales tax exemption for purchases of inputs used in making films identical to the current sales tax exemption for inputs to television commercials.</p> <p>Effective the day after final enactment and applies to purchases after June 30, 2019, and before July 1, 2021.</p>	<p>No comparable provision.</p>
<p>11</p>	<p>Qualified data centers. Changes the sales tax exemption of computer software purchases at qualified data centers. Under current law, computer software purchases are exempt for 20 years after the first qualifying purchase at a data center.</p> <p>The new language proposes two definitions for computer software:</p> <ul style="list-style-type: none"> • for software purchased prior to July 1, 2019, the definition explicitly excludes software distributed to users outside of the facility; and • for software purchased after June 30, 2019, the definition includes the software distributed to users outside the facility but limits the exemption to only 50 percent of the tax paid. 	<p>No comparable provision.</p>

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Sec.	Article 3: Sales Tax	Article 3
	<p>The length of time that a data center qualifies for a full or partial exemption of the sales tax on computer software is also reduced as follows:</p> <ul style="list-style-type: none"> • For data centers that first qualified before June 30, 2014, they get an exemption of 100 percent of the tax on the narrower definition of computer software until June 30, 2019. This is an exemption of between five and seven years. • For data centers that first qualified between July 1, 2014, and July 1, 2019, they get a five-year exemption for software – 100 percent on software meeting the narrow definition if purchased before July 1, 2019, and 50 percent on all software purchased after July 1, 2019, but before the end of the five-year window. • For data centers that first qualify after June 30, 2019, they get a five-year exemption on 50 percent of all software purchases. <p>Also states that if a qualified data center’s 20-year certification period runs out before the expiration date for this exemption (June 30, 2042) and it gets recertified, that there is no software exemption with the second certification.</p> <p>The 20-year exemption for information technology equipment and electricity remains unchanged.</p> <p>Effective for sales and purchases made after June 30, 2019, but the limited definition of exempt computer software is effective for purchases made after June 30, 2012, and before July 1, 2019.</p>	
12	<p>Certain purchases from state fire safety account. Provides a sales tax exemption for purchases made by the commissioner of public safety for equipment that are ultimately provided to local firefighting organizations.</p> <p>Effective for sales and purchases made after June 30, 2019.</p>	<p>No comparable provision.</p>
13	<p>Purchases by volunteer fire departments. Grants volunteer fire departments that are either 501(c)(3) or 501(c)(4) organizations the same sales tax exemption as municipal fire departments.</p> <p>Effective for sales and purchases made after June 30, 2019.</p>	<p>No comparable provision.</p>
14	<p>Nonprofit tickets or admissions. Provides a sales tax exemption on tickets or admissions to performances or events held by a nonprofit agricultural heritage organization provided that the event is sponsored and conducted exclusively by volunteers, employees, and board members of the nonprofit organization; and the performance or event is consistent with the nonprofit’s tax-exempt purpose.</p> <p>Effective the day after final enactment.</p>	<p>Section 5. Same.</p>

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Sec.	Article 3: Sales Tax	Article 3
15	<p>Ice arenas and rinks. Expands the existing sales tax exemption for the nonprofit running the ice arena and rinks at the Duluth Heritage Center to include the nonprofit running the ice arena or rinks at the David M. Thaler Sports Center in Mound, Minnesota. Effective for sales and purchases made after June 30, 2019.</p>	<p>Section 6. Same.</p>
16	<p>County agricultural society sales at county fairs. Provides a sales tax exemption for all sales by the county agricultural society on the fairgrounds during its regularly scheduled county fair. Revenue equal to the savings from this exemption must be used as provided in section 1.</p> <p>Effective for sales and purchases made after June 30, 2019.</p>	<p>Section 7. Same.</p>
17	<p>Nonprofit conservation clubs. Provides a sales tax exemption for purchases made by nonprofit (501(c)(3)) clubs that provide instruction and training in, and shooting facilities for, handguns or rifles.</p> <p>Effective for sales and purchases made after June 30, 2019.</p>	<p>No comparable provision.</p>
18	<p>Nonprofit arena board. Provides a sales tax exemption for sales to the Lake of the Woods International Board to own and operate the new ice arena being built in Baudette, Minnesota.</p> <p>Effective for sales and purchases made after June 30, 2019.</p>	<p>No comparable provision.</p>
19	<p>Prepared food used by certain nonprofits. Allows a sales tax exemption for a nonprofit organization’s purchase of prepared food when the food is purchased under contract to fulfill its charitable mission of provision of food through the federal Child and Adult Care Food Program or the federal Summer Food Service Program to unaffiliated sites. This would not exempt prepared food purchased on an ad hoc basis or not used directly in these programs.</p> <p>Effective for sales and purchases made after June 30, 2019.</p>	<p>No comparable provision.</p>
20	<p>Properties destroyed by fire (Melrose). Requires that for the period between January 1, 2019, and July 1, 2019, the sales tax must be paid on exempt construction materials and refunded to the property owners in the same manner as was required for the time period from September 30, 2016, and July 1, 2017. The extension of the exemption is in section 30.</p> <p>Effective retroactively for sales and purchases made after December 31, 2018.</p>	<p>Section 15. Similar. Provision extends the exemption by modifying the effective date of the 2017 legislation.</p> <p>Effective retroactively from January 1, 2019</p>
21	<p>Lake of the Woods International Arena construction. Exempts from sales tax the materials and supplies used in and equipment incorporated into the construction of the Lake of the Woods International Arena. Effective retroactively for purchases made after March 31, 2018, and before April 1, 2020. The tax must be paid at the time of</p>	<p>No comparable provision.</p>

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Sec.	Article 3: Sales Tax	Article 3
	<p>purchase and refunded as provided in sections 26 and 27.</p> <p>Effective retroactively from March 30, 2018.</p>	
22	<p>Properties destroyed by a fire. Provides a refundable sales tax exemption for taxes paid on materials, supplies, and equipment for buildings and equipment destroyed in the March 11, 2018, fire in the city of Mazeppa. Includes durable equipment used in a restaurant for food preparation, storage, and serving in the definition of capital equipment exempt under this provision.</p> <p>Effective retroactively to March 11, 2018, and applies to sales and purchases before January 1, 2022.</p>	<p>Section 8. Properties destroyed by fire. Same. Drafting structure of provision is different.</p>
23	<p>Former Duluth Central High School. Provides a construction exemption for a private redevelopment project on the site of the former Duluth Central High School. The exemption is limited to \$1 million and only applies if the redevelopment returns the property to the property tax rolls. The tax is paid at the time of purchase and refunded as provided in sections 26 and 27.</p> <p>Effective for purchases made between June 30, 2019, and January 1, 2021.</p>	<p>No comparable provision.</p>
24	<p>Construction; certain government facilities. Provides a sales tax exemption for construction materials and supplies and equipment purchased for the following local government projects:</p> <ul style="list-style-type: none"> • Monticello fire station for purchases from January 1, 2019, to January 1, 2022; • Inver Grove Heights fire station for purchases from June 30, 2018, to January 1, 2021; • Minnetonka fire and police station for purchases between May 23, 2019, to January 1, 2021; • Minneota school building for purchases between January 1, 2018, to January 1, 2021, • Mendota Heights fire station for purchases between December 31, 2018, and January 1, 2021; • St. Louis Park interpretive center for purchases between April 1, 2019, and January 1, 2021; and • Dakota County SMART center for purchases after June 30, 2019, and before July 1, 2021. <p>For all projects the tax is paid at the time of purchase and refunded as provided in sections 26 and 27.</p>	<p>Section 9. Similar. Authorizes the exemptions only for the Monticello fire station, Inver Grove Heights fire station, Minnetonka fire station, and Minneota school building.</p>
25	<p>Nonprofit snowmobile clubs. Provides a sales tax exemption on building materials and supplies used by a nonprofit snowmobile club to construct,</p>	<p>No comparable provision.</p>

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Sec.	Article 3: Sales Tax	Article 3
	maintain, or improve a state or grant-in-aid snowmobile trail. Effective for purchases made after June 30, 2019.	
26 - 27	Tax collected, refund provisions. Authorizes sales tax refunds for exempt purchases under sections 20 to 24.	Sections 10 to 12. Tax collected; refund provisions. Authorizes sales tax refunds for purchases of construction materials exempted under sections 8 and 9.
	No comparable provision.	Section 13. Tax must be remitted. Exempts amounts retained under the vendor allowance authorized in section 14 from the sales tax remittance requirement. Effective for sales taxes remitted after June 30, 2019.
	No comparable provision.	Section 14. Vendor allowance. Authorizes qualified retailers to retain a portion of sales taxes collected for purposes of complying with the remittance requirements in the sales tax chapter. A “qualified retailer” is a retailer not subject to the June accelerated remittance requirement (i.e., vendors having a sales tax liability of \$250,000 or more during a fiscal year ending on June 30), excluding a vendor of construction materials as defined in section 2 . Only retailers that timely collect and remit sales taxes may claim the vendor allowance. Retailers’ use taxes must not be used in calculating the vendor allowance. The allowance equals the greater of \$5 or 0.5% of the tax collected in the reporting period, but must not reduce tax owed to less than zero. The commissioner must calculate legacy fund revenues transferred without regard to the vendor allowance. Effective for sales taxes remitted after June 30, 2019.
28	Persons applying. Replaces the term “retailer” with “person” regarding an application for a sales tax permit since marketplace providers must also apply for a permit. Effective for sales and purchases made after June 30, 2019.	No comparable provision.
29	Effective date (MSHSL exemption). Eliminates the sunset of the current sales tax exemption for admissions to events sponsored by the Minnesota State High School League (MSHSL) and makes it a permanent exemption. The exemption currently sunsets July 1, 2027. Effective the day after final enactment.	No comparable provision.
30	Effective date (city of Melrose). Retroactively extends the effective date for the sales tax exemption related to the fire in the city of Melrose until January 1, 2023. This expired December 31, 2018. Extends the effective date for refunds of taxes paid on these purchases under section 20.	Section 15. Sales tax exemption; effective date. Similar. Extends the effective date for the sales tax exemption for construction materials for properties destroyed by a 2016 fire in Melrose to sales and purchases made before January 1, 2023. Effective retroactively from January 1, 2019. Does not include extension of refund provisions.
31	Municipally owned water treatment facility; city of Elko-New Market. Provides a retroactive sales tax exemption for the materials and supplies used in and equipment incorporated into a water treatment facility owned by the city of Elko-New Market. The exemption applies to purchases by the city and by contractors, subcontractors, and builders made after	No comparable provision.

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Sec.	Article 3: Sales Tax	Article 3
	<p>June 1, 2014, and before June 1, 2016. The city must apply for the refund of taxes paid and the contractor, subcontractors, and builders must provide the city with the information necessary to make the application. Money is appropriated to the commissioner of revenue to pay the refund.</p> <p>Effective retroactively for purchases made after June 1, 2014, and before June 1, 2016.</p>	
32	<p>Tax expenditures; statements of intent. Meets the requirements of Minnesota Statutes, section 3.192, by providing a purpose and goal or standard for each tax expenditure included in the sales tax article.</p> <p>Effective the day after final enactment.</p>	No comparable provision.
33	<p>Repealer. Repeals a subdivision outlining what constitutes systematic solicitation when determining a remote seller’s duty to collect sales tax. This language was moved to the definitions in section 4.</p> <p>Effective for sales and purchases after September 30, 2019.</p>	No comparable provision.

Sec.	Article 4: Special Taxes	No Comparable Article
1	<p>Tax collection required. Requires a direct ship winery to collect the alcohol gross receipts tax.</p> <p>Effective for sales and purchases occurring on or after July 1, 2019, and contingent on enactment of other regulatory provisions.</p>	No comparable provision.
2	<p>Form of application; license fees. Allows the commissioner of revenue to prescribe the application form for a distributor license for petroleum products.</p> <p>Effective day following final enactment.</p>	Article 9, section 9. Similar. Effective July 1, 2019.
3	<p>Personal liability for tax. Holds persons who have the control, supervision, or responsibility of filing tax returns on behalf of distributors of petroleum personally liable for the nonpayment of petroleum taxes.</p> <p>Effective day following final enactment.</p>	Article 9, section 10. Personal liability for tax. Similar. Provisions differ in titles of officials who are to be personally liable for the tax. Effective July 1, 2019.
4	<p>Persons applying. Requires a direct ship winery to obtain a permit from the Department of Revenue to collect sales tax.</p> <p>Effective for sales and purchases occurring on or after July 1, 2019, and contingent on enactment of other regulatory provisions.</p>	No comparable provision.
5	<p>Tobacco products. Clarifies the definition of “tobacco products” to specifically include nicotine solution products.</p> <p>Effective the day following final enactment.</p>	Article 14, section 1. Same.
6	<p>Nicotine solutions products. Includes in the definition of “nicotine solutions products” nicotine products consumed through a means that produces vapor or aerosol from nicotine, electronic pipes and cigarettes, batteries, heating elements, and other</p>	Article 14, section 2. Same.

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Sec.	Article 4: Special Taxes	No Comparable Article
	<p>products, devices, components, parts, and accessories sold with a solution containing nicotine. Includes solutions containing nicotine produced from sources other than tobacco.</p> <p>Effective the day following final enactment, except the inclusion of nontobacco nicotine in the definition is effective January 1, 2020.</p>	
7	<p>Wholesale sales price. Clarifies that the definition of “wholesale sales price” does not include the cost of electronic pipes and cigarettes, batteries, heating elements, and other products, devices, components, parts, and accessories sold in a kit with a package of solution containing nicotine if the taxpayer separately sells the package of solution containing nicotine and can isolate its cost.</p> <p>Effective the day following final enactment.</p>	Article 14, section 3. Same.
8	<p>Annual indexing. Restores the annual adjustment of the cigarette excise tax rate and the minimum tax rate on packages of moist snuff.</p> <p>Effective the day following final enactment and applies beginning with rates calculated for calendar year 2020.</p>	No comparable provision.
9	<p>Sale of stamps. Removes obsolete language relating to discounted cigarette stamps.</p> <p>Effective the day following final enactment.</p>	No comparable provision.
10	<p>Tax stamping machines. Removes obsolete language relating to discounted cigarette stamps.</p> <p>Effective the day following final enactment.</p>	No comparable provision.
11	<p>Exemptions. Eliminates the alcohol excise tax exemption for direct shipments of wine.</p> <p>Effective July 1, 2019, and contingent on enactment of other regulatory provisions.</p>	No comparable provision.
12	<p>Rates (solid waste management tax). Increases the tax rate on the sales price of mixed municipal solid waste management services received by a residential generator from 9.75 percent to 11 percent.</p> <p>Effective July 1, 2019.</p>	No comparable provision.
13	<p>Rates (solid waste management tax). Increases the tax rate on the sales price of mixed municipal solid waste management services received by a commercial generator from 17 percent to 19 percent.</p> <p>Effective July 1, 2019.</p>	No comparable provision.
14	<p>Rates (solid waste management tax). Increases the tax rate on commercial and residential generators that generate nonmixed municipal solid waste from 60 cents per cubic yard to 67.5 cents per cubic yard.</p> <p>Effective July 1, 2019.</p>	No comparable provision.
15	<p>Self-haulers. Increases the tax rate paid by self-haulers of nonmixed municipal solid waste to the operator of the waste management facility to which the waste is delivered from \$2.00 per ton of</p>	No comparable provision.

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Sec.	Article 4: Special Taxes	No Comparable Article
	<p>construction debris to \$2.25 per ton. Increases the tax rate on industrial waste from 60 cents per cubic yard to 67.5 cents, and the rate on infectious waste from 60 cents per 150 pounds to 67.5 cents per 150 pounds.</p> <p>Effective July 1, 2019.</p>	
16	<p>Allocation of revenue. Allocates 30 percent of the increase in tax provided for by the above sections to an account created by section 17.</p> <p>Effective July 1, 2019.</p>	<p>No comparable provision.</p>
17	<p>Soil and water conservation district account. Creates an account for soil and water conservation districts within the special revenue fund, funded by the allocation of revenue provided by section 16 and annually allocated to the commissioner of revenue to be distributed to the Board of Water and Soil Resources (BOWSR).</p> <p>Requires BOWSR to put the funds towards the operation of soil and water conservation districts, and requires BOWSR to distribute funds directly to counties in the cases where a county does not contain an independent soil and water conservation district.</p> <p>Effective July 1, 2019.</p>	<p>No comparable provision.</p>
18	<p>Repealer. Repeals obsolete language regarding the revolving account for cigarette stamp purchases.</p> <p>Effective the day following final enactment.</p> <p>Repeals the requirement that licensed distributors of petroleum and other fuels furnish bonds to the commissioner of revenue.</p> <p>Effective day following final enactment.</p>	<p>Article 9, section 18. Repealer. Similar.</p> <p>Repeals the requirement that licensed distributors of petroleum and other fuels furnish bonds to the commissioner of revenue.</p> <p>Effective July 1, 2019.</p> <p>Repeals the authority for counties and statutory or home rule charter cities to impose a local gambling tax of up to three percent of annual gross receipts of licensed lawful gambling organizations and for the local gambling tax.</p> <p>Effective July 1, 2019.</p>

Sec.	Article 5: Property Taxes	Article 4: Property Tax
	<p>No comparable provision.</p>	<p>Section 1. Watershed districts; construction or implementation fund; levy. Allows a watershed district’s construction or implementation fund to receive loans or grants from the state or federal government. Under current law, the funds may receive loans from the Pollution Control Agency or the federal government.</p> <p>Effective beginning with taxes payable in 2020 and thereafter.</p>
	<p>No comparable provision.</p>	<p>Section 2. Project tax levy. Allows the watershed districts to levy for projects that receive grants or</p>

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Sec.	Article 5: Property Taxes	Article 4: Property Tax
		loans appropriated by law, and allows the district to levy for repayment of bonds or interest associated with any bonds. Under current law, watershed districts can levy for projects that receive grants or loans from the Clean Water Partnership. Effective beginning with taxes payable in 2020 and thereafter.
1	County historical society tax levy. Allows a city or town to fund its own historical society from its property tax levy. Effective the day following final enactment.	Section 3. Same.
2	Administration (small cities assistance). Provides that the commissioner of transportation will certify aid amounts for the small cities assistance program to the commissioner of revenue by June 1. Effective for aids payable in 2019 and thereafter.	Article 16, section 1. Same.
3	Records; data privacy. Authorizes the county veterans’ service officer to share certain data on veterans with the county assessor, for the purposes of making eligibility determinations under the disabled veterans homestead exclusion, in conjunction with section 21. Effective the day following final enactment.	Section 4. Similar. Authorizes data sharing with both county and local assessor.
4	Powers and duties. Amends the commissioner of revenue’s powers to administer the state’s property tax laws by clarifying that the commissioner may collect property tax data at the parcel level or higher in the time, form, and manner as the commissioner may prescribe. This method of collection is consistent with property tax data collection under the Property Record Information System of Minnesota (PRISM). Effective the day following final enactment.	Article 17, section 1. Same.
5	Initial report. Conforming changes and cross-references added to the changes made by section 4. Effective the day following final enactment.	Article 17, section 2. Same.
6	Final report. Conforming changes and cross-references added to the changes made by section 4. Effective the day following final enactment.	Article 17, section 3. Same.
7	Record of proceedings changing net tax capacity; duties of the county auditor. Conforming changes and cross-references added to the changes made by section 4. Effective the day following final enactment.	Article 17, section 4. Same.
8	Agricultural historical society property. Increases the amount of property that may be exempted from 20 acres to 40 acres. The deadline to apply for this exemption is extended to July 1 for applications filed in 2019 only. Effective for assessments beginning in 2019.	Section 5. Same.
9	Certain property owned by an Indian tribe. Provides a property tax exemption for a pharmacy in the city of Minneapolis owned by a federally	Section 6. Similar. Defines “pharmacy” and extends application deadline to July 1 for applications filed in 2019 only.

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Sec.	Article 5: Property Taxes	Article 4: Property Tax
	<p>recognized Indian tribe. The exemption expires with taxes payable in 2029.</p> <p>Effective for taxes payable in 2020 and thereafter.</p>	
10	<p>Charitable farmland. Exempts from property tax land used to produce agricultural products, provided that the land is owned by a public hospital, house of worship, or cemetery that is exempt from property tax and that the proceeds from the sale of the products are used to support the mission of a public hospital, house of worship, or cemetery.</p> <p>Effective beginning with property taxes payable in 2020.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p>Section 7. Licensed child care facility. Authorizes a property tax exemption for licensed child care facilities that are owned and operated by a 501(c)(3) nonprofit charitable organization and that accept families participating in the CCAP child care assistance program. For assessment year 2019 only, an exemption application must be filed by July 1, 2019.</p> <p>Effective beginning with assessment year 2019.</p>
11	<p>Requirement (Certificates of Real Estate Value). Changes the threshold for filing a Certificate of Real Estate Value at consideration in excess of \$1,000 to in excess of \$3,000.</p> <p>Effective for certificates of value filed after December 31, 2019</p>	<p>No comparable provision.</p>
12	<p>Additional general duties. Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>	<p>Article 17, section 5. Same.</p>
13	<p>Training and education of property tax personnel. Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>	<p>Article 17, section 6. Same.</p>
14	<p>Reimbursement for lost revenue. Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>	<p>Article 17, section 7. Same.</p>
15	<p>Reimbursement for lost revenue. Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>	<p>Article 17, section 8. Same.</p>
16	<p>Disaster or emergency area. Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>	<p>Article 17, section 9. Same.</p>
17	<p>Manufactured home park cooperative. Eliminates a prohibition against ground lease payments being included as part of property taxes payable for shareholders of manufactured home</p>	<p>Section 8. Same.</p>

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Sec.	Article 5: Property Taxes	Article 4: Property Tax
	<p>park cooperatives when filing for the homestead credit refund.</p> <p>Effective for taxes payable in 2020.</p>	
	<p>No comparable provision.</p>	<p>Section 9. Agricultural homestead classification for business entities. Allows agricultural homestead classification for properties owned by one business entity and operated by a separate business entity if the following requirements are met:</p> <ul style="list-style-type: none"> (1) the shareholder, member, or partner residing on and actively engaged in farming the land is a shareholder, member, or partner of the business entity that is operating the farm; and (2) more than half of the shareholders, members, or partners of each entity are qualifying relatives. <p>Effective beginning with assessment year 2019.</p>
<p>18</p>	<p>Agricultural homesteads; special provisions. Eliminates language allowing certain special agricultural homesteads owned by grantor trusts to qualify for homestead property tax status. This language is moved to section 19.</p> <p>Effective for taxes payable in 2020.</p>	<p>Section 10. Same.</p>
<p>19</p>	<p>Trust property; homestead. Modifies the statute that allows certain properties owned by trusts to qualify for homestead property tax treatment. This section:</p> <ul style="list-style-type: none"> • adds the language eliminated in section 18; • defines agricultural land for agricultural homestead rules and classification statutes so that the rules requiring agricultural property to have the same ownership are satisfied if the properties are owned by some combination of the individual owner, the individual's spouse or surviving spouse, or a trust or trusts, the grantor of which is the individual, spouse, surviving spouse, or deceased spouse; and • extends the proposed trust ownership rule to noncontiguous parcels located within four townships or cities. <p>Effective for taxes payable in 2020.</p>	<p>Section 11. Same.</p>
<p>20</p>	<p>Fractional homesteads. Requires fractional ownership of homesteads to be determined based on the ownership percentage that each owner has as per the county land records. If this method cannot be used, ownership percentages are determined in equal shares.</p> <p>Effective for assessments beginning in 2019.</p>	<p>Section 12. Same.</p>
<p>21</p>	<p>Disclosure. Authorizes the county assessor to share certain data on veterans with the county veterans' service officer, for the purpose of making eligibility determinations under the disabled veterans homestead exclusion, in conjunction with section 3.</p>	<p>Section 13. Same.</p>

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Sec.	Article 5: Property Taxes	Article 4: Property Tax
	Effective the day following final enactment.	
22	<p>Elderly living facility deferral. Establishes a deferral of property taxes for an elderly living facility. If the property is sold, transferred, or no longer meets the requirements, the property owner must pay taxes that would have been due over the last five years.</p> <p>Effective beginning with property taxes payable in 2020.</p>	No comparable provision.
23	<p>Class 2 (agricultural land used for environmental purpose). Allows land to continue to qualify for agricultural classification even if up to three acres of the land is used to serve environmental purposes, such as buffer strips, old growth forest restoration or retention, or retention ponds.</p> <p>Effective beginning with assessments in 2019.</p>	No comparable provision.
	Section 52. Different. Requires Department of Revenue to produce a report on class 4d property tax classification.	<p>Section 14. Class 4 property. Sets the class rate for all class 4d properties (qualifying low income rental property) at 0.25 percent. Under current law, the class rate for 4d property is 0.75 percent for the first tier of value (first \$150,000 for assessment year 2019) and 0.25 percent of the value exceeding the first tier amount for each unit.</p> <p>Effective beginning with taxes payable in 2020.</p>
24	<p>Homestead of disabled veteran or family caregiver. Makes four changes to the disabled veterans' homestead exclusion.</p> <p>Moves the application deadline from July 1 to December 15.</p> <p>Removes the exclusion on properties that are sold to nonqualifying owners, so that the new owners will not receive the benefit in the following year.</p> <p>Eliminates the eight-year limit on the spousal benefit.</p> <p>Allows the spouse of a deceased veteran a one-time transfer of the exclusion to a new property, provided that the new property has a market value less than or equal to the value of the original property.</p> <p>Effective for assessments beginning in 2019.</p>	<p>Section 15. Similar.</p> <p>Same.</p> <p>No comparable provision.</p> <p>Same.</p> <p>No comparable provision.</p>
25	<p>Homestead market value exclusion. Amends the homestead exclusion to clarify that the exclusion is prorated when there are multiple owners and that the ownership shares are determined using the county land records, as outlined in section 20.</p> <p>Effective beginning with taxes payable in 2020.</p>	Section 16. Same.
26	<p>Reduction amounts submitted to county. Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>	Article 17, section 10. Same.

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Sec.	Article 5: Property Taxes	Article 4: Property Tax
27	<p>Agricultural homestead market value credit. Amends the agricultural homestead credit to clarify that the credit is prorated when there are multiple owners and that the ownership shares are determined using the county land records, as outlined in section 20.</p> <p>Effective beginning with taxes payable in 2020.</p>	<p>Section 17. Same.</p>
28	<p>Credit reimbursements. Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>	<p>Article 17, section 11. Same.</p>
29	<p>Credit reimbursements. Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>	<p>Article 17, section 12. Same.</p>
30	<p>Listing, valuation, and assessment of exempt property by county auditors. Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>	<p>Article 17, section 13. Same.</p>
31	<p>Report required (utility cooperative associations). Requires property tax data reported to the Department of Revenue by utility companies that are cooperative associations be aggregated to the unique taxing jurisdiction level and requires that the data reported exclude information related to distribution line property, which is subject to in-lieu taxes rather than property taxes.</p>	<p>Section 18. Same.</p>
	<p>No comparable provision.</p>	<p>Section 19. Recommended and ordered values; state assessed property. Changes, from August 1st to June 15th, the date by which recommended assessment values for state-assessed property must be certified by the commissioner of revenue to the county auditor.</p> <p>Effective beginning with assessment year 2019.</p>
	<p>No comparable provision.</p>	<p>Section 20. Notice; state assessed property. Requires the commissioner of revenue to provide notice to the county auditor when an administrative appeal for state-assessed property located within the county is filed. Current law requires that notice be made only when appeals are filed in Minnesota Tax Court.</p> <p>Effective the day following final enactment.</p>
	<p>No comparable provision.</p>	<p>Section 21. Notification; state assessed property. Requires the commissioner of revenue to develop an electronic means by which to inform each city, county, and taxing jurisdiction where state-assessed property included in an appeal is located. The notification must provide notice that an appeal was filed, a copy of the petition or appeal, notice that a final written agreement was entered into and a copy of the agreement within ten days of its signing, and any other information that provides the city, county, and taxing jurisdictions with information relative to the status of an appeal and settlement negotiations.</p>

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Sec.	Article 5: Property Taxes	Article 4: Property Tax
		Effective the day following final enactment.
32	<p>Length of session; record. Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>	Article 17, section 14. Same.
33	<p>Corrected lists. Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>	Article 17, section 15. Same.
34	<p>Levy amount. Freezes the rate for the commercial-industrial portion of the state general levy at the current value of 42.416 percent. This section also makes conforming changes related to the changes made by section 4.</p> <p>Effective beginning with taxes payable in 2020, except the conforming changes related to section 4, which are effective the day following final enactment.</p>	<p>Section 22. Different. Reduces the state general levy amounts for both commercial-industrial property and seasonal-recreational property. The commercial-industrial levy amount is reduced by \$47.5 million, and the seasonal-recreational levy amount is reduced by \$2.5 million.</p> <p>Effective beginning with taxes payable in 2020.</p> <p>Article 17, section 16. Contains same provisions related to PRISM changes.</p>
	No comparable provision.	<p>Section 23. Natural gas pipeline; state levy abatement. Requires a county to abate the state general levy on personal property that is part of certain natural gas pipelines. To qualify for the abatement, construction of the intrastate natural gas transportation or distribution pipeline system must have commenced after January 1, 2018, and must provide service to an area outside the seven-county metropolitan area in which more than half of households or businesses lacked access to natural gas distribution systems as of January 1, 2018. The abatement is limited to 12 taxable years, provided that once a property no longer qualifies for the abatement, it may not subsequently qualify.</p> <p>Effecting beginning with taxes payable in 2021.</p>
	No comparable provision.	<p>Section 24. Special taxing districts; definitions. Adds fire protection special taxing districts to the list of special taxing districts.</p> <p>Effective the day following final enactment.</p>
	No comparable provision.	<p>Section 25. Distribution of penalties, interest and costs. Requires that all penalties, interest, and costs collected on the wind energy production tax and the solar energy production tax must be distributed to the same local taxing jurisdictions in the same percentage as is required for the original tax distribution: 80 percent to counties and 20 percent to cities and townships.</p> <p>Effective for penalties, interest, and costs collected on taxes payable in 2020 and thereafter.</p>
35	<p>Duties of the commissioner after sale. Requires the commissioner of revenue to issue a deed for land sold at a tax-forfeiture sale if the county auditor has written confirmation from a closing agent that the purchase money for the deed is held in escrow.</p>	Section 26. Similar. Minor inconsequential language differences.

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Sec.	Article 5: Property Taxes	Article 4: Property Tax
	Effective for conveyances issued by the commissioner after December 31, 2019.	
36	<p>Determination of tax (deed tax). Changes the minimum consideration for real property, used in calculating the deed tax, from \$500 or less to \$3,000 or less.</p> <p>Effective for deeds recorded after December 31, 2019.</p>	No comparable provision.
37	<p>Property taxes payable. Allows resident shareholders of manufactured home cooperatives to include 17 percent of their ground lease payments as property tax paid when filing for the homestead credit refund.</p> <p>This section is effective beginning with claims for tax payable in 2020.</p>	Section 27. Same.
38	<p>Initial application. Moves the application date for the senior deferral program from July 1 to November 1, and clarifies that a taxpayer may request early notification of approval or denial. The bill allows applicants who are denied to reapply within 90 days of the application deadline and retain the original submission date. The bill also states that a court order transferring title of real property to the applicant is sufficient to show that the title is held by the applicant.</p> <p>Effective beginning with applications submitted in 2019.</p>	No comparable provision.
39	<p>Determination; payment. Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>	Article 17, section 17. Same.
	No comparable provision.	<p>Section 28. Fire protection special taxing districts. Authorizes two or more political subdivisions to establish, by resolution of their governing bodies, a special taxing district to provide fire protection or emergency medical services, or both. The district shall be governed by a board consisting of representatives of each participating political subdivision in the proportions set out in the district’s establishing resolution. Each representative must be an elected member of the governing body of the political subdivision he or she represents. The board may levy a tax on property in the district, not to exceed 0.096 percent of the estimated market value of the district, or \$1,100,000, whichever is less. The board may also apportion its levy under a formula based on population, number of service calls, or cost of providing service. The district may incur debt when necessary to accomplish its duties. This section also provides authority for jurisdictions to join and withdraw from the district.</p> <p>Effective the day following final enactment.</p>
40	<p>Original net tax capacity. Conforming changes and cross-references added to the changes made by section 4.</p>	Article 17, section 18. Same.

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Sec.	Article 5: Property Taxes	Article 4: Property Tax
	Effective the day following final enactment.	
41	<p>Till expiration started. Authorizes a state agency or governmental unit to initiate expiration of an agricultural preserve.</p> <p>Effective the day following final enactment.</p>	Section 29. Same.
42	<p>Expiration for park and trail purposes. Provides that an agricultural preserve expires immediately when the public entity purchases the property or acquires an easement for purposes of a trail or park. The expiration would apply only to the portion of the preserve used for trail or park purposes. The remaining portion of the agricultural preserve remains an agricultural preserve, even if the trail or park lowers the total acreage to less than 40 acres. Requires the public entity to notify the preserve authority accordingly.</p> <p>Effective the day following final enactment.</p>	Section 30. Same.
43	<p>Notice to others. Conforming change to section 42.</p> <p>Effective the day following final enactment.</p>	Section 31. Same.
	No comparable provision.	<p>Section 32. Metropolitan agricultural preserves; early termination upon approval by authority. Allows for early termination upon request by the landowner, and approval by a majority vote of the authority (defined as the unit of government exercising planning and zoning authority over the land). To be eligible, the land must be enrolled in the program for at least eight years, and the landowner must provide notice to the authority that contains a description of the property for which termination is desired, and the date of termination.</p> <p>Effective the day following final enactment and applies to any agricultural preserve where the previously required eight-year termination period has not expired.</p>
44	<p>Effective date (Northwest Minnesota Multicounty Housing and Redevelopment Authority). Extends the levy authority of the Northwest Minnesota Multicounty Housing and Redevelopment Authority to taxes payable in 2025.</p> <p>Effective beginning with taxes payable in 2020.</p>	<p>Section 33. Similar. Extends levy authority to taxes payable in 2024.</p> <p>Effective beginning with taxes payable in 2019.</p>
45	<p>Agreement (Cloquet Area Fire and Ambulance District). Changes the name of the Cloquet Area Fire and Ambulance Special Taxing District.</p> <p>Effective upon compliance by the Cloquet Area Fire and Ambulance Special Taxing District Board with approval and filing requirements.</p>	Section 34. Same.
46	<p>Board (Cloquet Area Fire and Ambulance District). Changes the name of the Cloquet Area Fire and Ambulance Special Taxing District.</p> <p>Effective upon compliance by the Cloquet Area Fire and Ambulance Special Taxing District Board with approval and filing requirements.</p>	Section 35. Same.

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Sec.	Article 5: Property Taxes	Article 4: Property Tax
47	<p>Tax (Cloquet Area Fire and Ambulance District). Clarifies that the district may levy within its area for fire services or ambulance services or both. Exempts levies imposed to make debt service payments on the bonds from the levy limit requirements that exist under the current enabling legislation for the district.</p> <p>Effective upon compliance by the Cloquet Area Fire and Ambulance Special Taxing District Board with approval and filing requirements.</p>	<p>Section 36. Similar. Does not exempt levies imposed to make debt service payments from the levy limit.</p>
48	<p>Public indebtedness (Cloquet Area Fire and Ambulance District). Clarifies the district’s ability to incur debt by designating the district as a municipality, for purposes of applying chapter 475 (municipal debt) and by allowing the district to issue equipment bonds under section 412.301.</p> <p>Effective upon compliance by the Cloquet Area Fire and Ambulance Special Taxing District Board with approval and filing requirements.</p>	<p>Section 37. Similar. Minor inconsequential language differences.</p>
49	<p>Withdrawal (Cloquet Area Fire and Ambulance District). Provides that a debt levy in a municipality that wishes to withdraw from the district remains in effect until the obligations outstanding on the date of withdrawal are satisfied.</p> <p>Effective upon compliance by the Cloquet Area Fire and Ambulance Special Taxing District Board with approval and filing requirements.</p>	<p>Section 38. Similar. Minor inconsequential language differences.</p>
50	<p>Effective date; application (SFIA). Amends the effective date to an SFIA provision enacted in 2017. The change clarifies that land improved with a paved trail at the same time an SFIA enrollee submits their annual certification meets the new definition of forest land.</p> <p>Effective retroactively for certifications made in 2018 and thereafter.</p>	<p>Section 39. Same.</p>
	<p>No comparable provision.</p>	<p>Section 40. Placement of land into federal trust; report. Requires each county to certify to the commissioner of revenue by October 1, 2019, the following information:</p> <ol style="list-style-type: none"> 1. the parcel identification number, property classification, and parcel size for each parcel of property in the county that was placed into trust by the United States Department of the Interior Bureau of Indian Affairs between January 1, 2009, and January 1, 2019; 2. the amount of property tax paid on each parcel to each taxing jurisdiction in the county in the year prior to the parcel being placed into trust; 3. the total percentage of land placed into trust as of October 1, 2019; and 4. the parcel identification number, property classification, parcel size, and amount of property tax paid for the most recent taxes

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Sec.	Article 5: Property Taxes	Article 4: Property Tax
		<p>payable year for each parcel of land for which an application for placement of trust was filed between January 1, 2019, and July 1, 2019.</p> <p>By February 15, 2020, the commissioner of revenue must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes that includes the detailed information concerning land placed into federal trust, as certified by counties, as well as the total percentage of land placed into trust statewide as of October 1, 2019.</p> <p>Effective the day following final enactment.</p>
51	<p>Valuation method of state-assessed property; report. This provision requires the commissioner of revenue to issue a report analyzing certain aspects of the state’s assessment of pipeline and utility property. The report is due to the chairs of the legislative committees with jurisdiction over property taxes by February 1, 2020. The report must include:</p> <ul style="list-style-type: none"> • a detailed description of administrative appeals and tax court petitions filed since 2012, including the final results of these appeals and petitions and any refunds paid by local taxing jurisdictions; • a detailed description of the administrative appeal process, specifically explaining the criteria used by the commissioner to determine the appropriate increase or reduction of the original valuation; • a detailed description of the process by which the commissioner determines preliminary and final valuation orders; and • a detailed comparison of the methodology used to administer Rule 8100 to methods used by other states, in at least two neighboring states and three non-neighboring states. <p>Effective the day following final enactment.</p>	<p>No comparable provision.</p>
52	<p>4d affordable housing programs report. Requires the Department of Revenue to consult with the Minnesota Housing Finance Agency and the Department of Human Services to produce a report on 4d property tax classification. For each of the four qualifications which allow properties to be classified as 4d, the report must include the following data from the previous tax year:</p> <ul style="list-style-type: none"> • the number of units in qualifying properties classified as 4d; • the number of units in qualifying properties not classified as 4d; • the property tax paid by qualifying properties in 2019; • the property tax reductions for qualifying properties resulting from 4d classification; 	<p>Section 14. Different. Sets the class rate for all class 4d properties at 0.25 percent.</p>

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Sec.	Article 5: Property Taxes	Article 4: Property Tax
	<ul style="list-style-type: none"> the average household income of residents in 4d units; and the total number of units that qualified for 4d in each of the last ten years. <p>The report also requires the department to provide a profile of income limits and area median incomes used to determine eligibility for assisted housing programs. The report is due by January 15, 2020.</p> <p>Effective the day following final enactment.</p>	
53	<p>Special refund provision; disabled veterans homestead exclusion. Allows a veteran who received a disability rating of 70 percent or more in 2016 or 2017 to apply for a refund of taxes paid in 2017 or 2018. The refund is equal to the difference between the tax paid and the tax that the veteran would have paid had they qualified for the exclusion in one or both of those years.</p> <p>Effective for refund applications received in 2019, for refunds of tax paid in 2017 and 2018.</p>	No comparable provision.
54	<p>Repealer. Repeals the statute describing the abstract of tax lists, which is no longer needed due to changes made in section 4.</p> <p>Effective the day following final enactment.</p>	Article 17, section 19. Same.

Sec.	Article 6: Aids and Credits	Article 5: Aids and Credits
	No comparable provision.	<p>Section 1. Referendum equalization levy. Increases the equalization factor for tier 1, tier 2, and tier 3 referendum levies, and provides an alternative calculation for tier 2 and tier 3 levies.</p> <p>Effective for revenue in fiscal year 2021.</p>
1	<p>Aid termination (PERA). Extends the sunset of the aid paid by the commissioner of revenue to local governments for their employer contributions to the Public Employees Retirement Association until the earlier of:</p> <ul style="list-style-type: none"> June 30 of the fiscal year after the year in which the general employees retirement plan (GERP) is fully funded; or June 30, 2048. <p>Effective the day following final enactment.</p>	No comparable provision.
2	<p>Credit amount (school building bond agricultural credit). Increases the school building bond agricultural credit from 40 percent to 70 percent of the tax on the property attributable to school district bonded debt levies.</p> <p>Effective beginning with property taxes payable in 2020.</p>	No comparable provision.
	No comparable provision.	<p>Section 2. Income; PTR. Modifies the definition of household income used in determining eligibility for the homestead credit refund (PTR) and renter property tax refund by excluding nontaxable scholarships or fellowship grants or the cash value</p>

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Sec.	Article 6: Aids and Credits	Article 5: Aids and Credits
		<p>of any tuition discount provided by a postsecondary education institution.</p> <p>Effective beginning with refunds based on property taxes payable in 2020 and rent paid in 2019.</p>
<p>3</p>	<p>Homeowners; homestead credit refund. Increases the maximum refund amounts by \$200 for most existing recipients, and expands the range of incomes eligible for the credit.</p> <p><i>Changes to maximum credit amounts.</i></p> <p>Increases the maximums by \$200 for all recipients with household incomes less than \$103,229. The maximum credit under the bill is \$3,020 for taxpayers with household income of \$42,709 or less. For household incomes of \$103,230 to \$115,439, the maximums increase by \$180.</p> <p><i>Expanding the range of incomes eligible for the credit.</i></p> <p>Currently, the credit is unavailable to taxpayers with household incomes greater than \$115,440. The bill expands eligibility to taxpayers with household incomes of up to \$155,439. Income thresholds for newly eligible taxpayers range from 2.6 percent to 3.5 percent; co-pays are 50 percent or 55 percent; maximum credits range from \$500 to \$100.</p> <p>Effective for refunds payable in 2020 (based on 2020 property taxes).</p>	<p>No comparable provision.</p>
<p>4</p>	<p>Renters. Reduces co-pays for existing recipients of the renter’s credit, and expands the range of incomes eligible for the credit.</p> <p><i>Changes to co-payments.</i></p> <p>The bill reduces the “co-payments” for recipients of the credit by 2.5 or 5 percentage points. For recipients with \$32,169 of household income or less, co-payments are reduced by 5 percentage points, except for the lowest income range which is reduced from 5 to 2.5 percent. For recipients with incomes of \$32,170 and greater, the co-payments are reduced by 2.5 percentage points.</p> <p><i>Expanding the range of incomes eligible for the credit.</i></p> <p>Currently, the credit is unavailable to taxpayers with household incomes greater than \$62,560. The bill expands eligibility for the credit for taxpayers with household incomes of up to \$74,999. The threshold percentage for newly eligible taxpayers is 2.0 percent to 2.3 percent of household income. The co-payment rate is 55 percent. The maximum credit is \$550, which phases down to \$150 for claimants with \$72,500 to \$74,999 in household income.</p> <p>Effective for refunds payable in 2020 (based on 2019 rents paid).</p>	<p>No comparable provision.</p>

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Sec.	Article 6: Aids and Credits	Article 5: Aids and Credits
5	<p>Certificates (rent). Requires the commissioner to develop an automated electronic system for generating certificates of rent paid (CRPs). Requires property owners or managing agents to provide rental market information when generating certificates of rent paid. Requires property owners or managing agents to use the automated system, or to provide equivalent data to the Department of Revenue in a form and manner approved by the department.</p> <p>This subdivision is effective July 1, 2019.</p>	No comparable provision.
6	<p>Annual report on rents paid in Minnesota. Requires the Department of Revenue to publish an annual report on rents paid in Minnesota using the rental market information collected under the previous section. The report must include aggregated summary data on rents, broken out by the number of bedrooms in the unit, and geographic region. The report must also include average and median rent amounts and year-to-year changes in rent paid.</p> <p>The department must submit the report to the tax, property tax, and housing committees of the legislature on March 15, 2022, and every following March 15.</p> <p>Effective the day following final enactment.</p>	No comparable provision.
7	<p>Guaranteed distribution. Guarantees the production tax distributions allocated to the Taconite Municipal Aid Account at 100 percent of the 1983 distribution and eliminates the decrease in the distribution when production falls below 42 million taxable tons. This change would reduce the amounts distributed to the Taconite Environmental Protection Fund and the Douglas J. Johnson Economic Protection Trust Fund.</p> <p>Effective for distributions in 2020 and thereafter.</p>	No comparable provision.
8	<p>Cities; towns (taconite municipal aid). Indexes to inflation the amount of the distribution to the Taconite Municipal Aid Account.</p> <p>Effective for distributions in 2020 and thereafter.</p>	No comparable provision.
9	<p>Additional border city allocations. Provides an annual allocation of \$1,000,000 to be allocated on a per capita basis to cities with border city enterprise zones.</p> <p>This section is effective July 1, 2020.</p>	Section 3. Similar. Provides a onetime \$2 million allocation, and is effective July 1, 2019.
10	<p>Restriction (border cities enterprise zone). Technical clean-up language clarifying the types of property that can qualify for border cities enterprise zone tax reductions.</p> <p>Effective the day following final enactment.</p>	No comparable provision.
11	<p>Sparsity adjustment. Sets the sparsity adjustment in the LGA formula for both large (10,000 or more population) and small cities (cities less than 10,000 population) at the current \$200 amount used for small cities.</p>	No comparable provision.

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Sec.	Article 6: Aids and Credits	Article 5: Aids and Credits
	Effective beginning with aids payable in 2020.	
	No comparable provision.	<p>Section 4. Indian Child Welfare Act (ICWA) compliance system review. Provides that a county may dispute the determination made by the commissioner of human services regarding a county’s compliance or noncompliance with the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act. Under current law, the determination made by the commissioner is final, and if a county remains substantially out of compliance for a second consecutive year, the county shall be eligible for 50 percent of the aid it otherwise is entitled to receive under the reimbursement to counties and tribes for certain out-of-home placement aid program. If a county notifies the commissioner of human services that it disputes the commissioner’s determination, the commissioner must initiate a contested case proceeding under chapter 14.</p> <p>Effective beginning with aids payable in calendar year 2020 and thereafter.</p>
	No comparable provision.	<p>Section 5. Appropriation; ICWA. Increases, by \$2 million, the annual appropriation for the reimbursement to counties and tribes for certain out-of-home placement aid program.</p> <p>Effective beginning with aids payable in calendar year 2020 and thereafter.</p>
12	<p>City aid distribution. Adjusts the cap on maximum aid losses in any year to allow for the ending of an adjustment in section 13. Also, for aids payable in 2020 only, provides that a city’s 2020 aid may not be less than its 2019 aid amount.</p> <p>Effective for aids payable in 2020 and thereafter.</p>	No comparable provision.
13	<p>Certified aid adjustments. Deletes language related to obsolete LGA adjustments for individual cities and provides additional LGA payments to the following cities out of the total LGA appropriation:</p> <ul style="list-style-type: none"> • \$20,000 per year for five years to the city of Floodwood; • \$200,000 per year for five years to the city of Hermantown; • \$920,000 per year for five years to the city of West St. Paul; • \$38,400 for one year only to the city of Flensburg; • \$275,000 for one year only to the city of Lilydale; \$40,000 per year for ten years to the city of Scanlon; • \$300,000 per year for five years to East Grand Forks; and • \$5.4 million in 2020 only to the city of Virginia. <p>Effective beginning with aids payable in 2020.</p>	No comparable provision.
14	<p>Cities (LGA appropriation). The city LGA appropriation is increased by about \$30.6 million beginning with aids payable in 2020 with an</p>	No comparable provision.

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Sec.	Article 6: Aids and Credits	Article 5: Aids and Credits
	<p>additional \$5.4 million added in 2020 only to cover the onetime aid to the city of Virginia. The permanent aid appropriation is \$564,990,952 for aids payable in 2021 and thereafter.</p> <p>Effective beginning with aids payable in 2020.</p>	
<p>15</p>	<p>Counties (county program aid). Increases county program aid:</p> <ul style="list-style-type: none"> • \$15,296,470 is added to the county need portion of the formula raising that share of the appropriation to \$119,091,470. • \$15,296,470 is added to the county tax base equalization portion of the formula, raising that share of the appropriation to \$146,169,914. <p>This section also increases the aid distribution to Mahnomen County in 2020 by \$750,000. Of this amount, \$250,000 must be used by the county for the Mahnomen Health Center, and \$250,000 must be paid from the county to the White Earth Band of Ojibwe to reimburse the band for the costs of delivering child welfare services.</p> <p>Effective for aids payable in calendar year 2020 and thereafter.</p>	<p>Section 6. Different. There are no comparable provisions to the increase in county program aid.</p> <p>Same. Distributions to Mahnomen County are included in section 6.</p>
<p>16</p>	<p>City of Austin; allocation of fire state aid for firefighters. Allows the city to continue to allocate fire pension aid between its volunteer firefighter relief association and its municipal firefighter pension without penalty, similar to what they did under a repealed general law.</p> <p>Effective until a similar general law is enacted.</p>	<p>No comparable provision.</p>
<p>17</p>	<p>Aid penalty forgiveness; the city of Waubun. Allows the commissioner to pay the second 2018 LGA and small city assistance aid payments to the city Waubun by June 30, 2019, provided its 2017 financial reports are filed with the state auditor by May 31, 2019. The city lost half of its aid payments last year because it had not filed the necessary reports.</p> <p>Effective the day after final enactment.</p>	<p>No comparable provision.</p>
<p>18</p>	<p>State fire aid penalty forgiveness; Austin. Makes a onetime appropriation from the general fund in fiscal year 2019 to reimburse the city of Austin for the calendar year 2016 state fire aid and 2016 supplemental police and fire retirement aid it did not receive due to a dispute over use of 2015 aid payments. The total payment to the city under this provision is \$129,093.40 and will be made by June 30, 2019.</p> <p>Effective the day following final enactment.</p>	<p>No comparable provision.</p>
		<p>Section 6. Local government grants. Appropriates \$1,255,000 in fiscal year 2020 only from the general fund to the commissioner of revenue for grants that shall be paid by August 1, 2019, and allocated as follows:</p>

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Sec.	Article 6: Aids and Credits	Article 5: Aids and Credits
	<p>Same. Distributions to Mahnommen County are included in section 15.</p> <p>No comparable provision.</p> <p>Same. Distributions to Wabasha County and the city of Mazeppa are included in section 20.</p>	<p>1. \$750,000 to Mahnommen County. Of this amount, \$250,000 must be used by the county for the Mahnommen Health Center, and \$250,000 must be paid from the county to the White Earth Band of Ojibwe to reimburse the band for costs of delivering child welfare services;</p> <p>2. \$500,000 to Otter Tail County to be used by the county for debt service on a building located in the city of Fergus Falls and formerly leased by the state to provide residential treatment services; and</p> <p>3. \$2,600 to the city of Mazeppa and \$2,400 to Wabasha County, to be used by the city and county for property tax abatements and other costs incurred by public and private entities as a result of a fire in the city of Mazeppa on March 11, 2018.</p> <p>The appropriations under this section are onetime and are not added to the base. Effective the day following final enactment.</p>
19	<p>Appropriation of lapsed amounts; fire remediation. Appropriates in fiscal year 2019 from the general fund the amount of unused remediation grants to the city of Melrose that canceled back to the general fund at the beginning of fiscal year 2019. The appropriated amount is \$634,729 and is available for grants from the day after final enactment until June 30, 2022.</p> <p>Effective the day following final enactment.</p>	<p>Section 7. Similar. Appropriates same amount in fiscal year 2020, and the funds are available until June 30, 2021.</p>
	<p>No comparable provision.</p>	<p>Section 8. Appropriation. Appropriates \$14,850,000 in fiscal year 2021 from the general fund to the Department of Education for purposes of referendum equalization aid under section 1. This amount is in addition to other appropriations for the same purpose.</p> <p>Effective the day following final enactment.</p>
20	<p>Appropriation. Appropriates \$5,000 from the general fund in fiscal year 2020 only, to make a \$2,600 grant to the city of Mazeppa and a \$2,400 grant to Wabasha County to pay for property tax abatements and other costs associated with a March 11, 2018, fire in the city.</p> <p>Effective July 1, 2019.</p>	<p>Section 6. Similar. Distributions to the city of Mazeppa and to Wabasha County are contained in section 6, and must be paid by August 1, 2019.</p>

Sec.	Article 7: Local Option Sales Tax	Article 6: Local Sales Taxes
1	<p>Authorization; scope. Allows a local government to spend money to disseminate information on the resolution to seek a local sales tax but only if they provided a detailed list of proposed projects to be funded and each of the project's costs.</p> <p>Effective the day following final enactment.</p>	<p>Section 1. Authorization; scope. Prohibits political subdivisions from imposing a new motor vehicle excise tax as of July 1, 2019. Clarifies that a political subdivision may only spend funds relating to imposing a local sales tax to disseminate information if the information includes a list of specific projects and the projected cost of each project to be funded by a local sales tax and</p>

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Sec.	Article 7: Local Option Sales Tax	Article 6: Local Sales Taxes
		provides facts and data on each project to be funded with the local sales tax. Effective the day following final enactment.
2	<p>Purpose statement. Adds a statement clarifying that the purpose of local government sales taxes is to pay for capital projects with a clear regional benefit and that using the funds for local projects increases inequities between communities and undermines state assistance provided through property tax deductions and the property tax refund system.</p>	<p>Section 2. Requirements. Adds a section of law to require that local sales taxes may be used instead of traditional revenues only for capital projects of clear regional benefit, and that a political subdivision must have a population of at least 1,000 to impose a local sales tax. Effective the day following final enactment.</p>
3	<p>Local resolution before application for authority. Expands and changes the requirements for the local resolution that a political subdivision must pass prior to seeking local sales tax authority. Changes include:</p> <ul style="list-style-type: none"> • a detailed description of no more than five capital projects to be funded by the proposed tax; • documentation indicating the share of the benefit of each project going to persons other than local residents; • requiring the political subdivision to submit the resolution and underlying documentation to the chairs of the house and senate tax committee by January 31 of the year in which it is seeking special legislation; and • stating that the special legislation granted may only fund projects listed in the resolution. <p>Effective the day following final enactment and applies to all local sales taxes not authorized by the legislature before July 1, 2019.</p>	<p>Section 3. Same.</p>
4	<p>Legislative authority required before voter approval; requirements for adoption, use, termination. Requires the political subdivision to receive authority to impose a local sales tax <u>before</u> seeking approval by the voters.</p> <p>Requires that a separate question be held for financing each authorized project with the tax. Adjusts the authorized tax proportionately for any project that is not approved by the voters.</p> <p>A city that passed a referendum at the 2018 general election will not have to go back and hold a second election if it receives authorization under special law before January 1, 2021, provided it submits a detailed resolution under subdivision 3 that does not conflict with the language in the 2018 referendum.</p> <p>Effective the day following final enactment and applies to all local sales taxes not authorized by the legislature before July 1, 2019.</p>	<p>Section 4. Requirements for adoption, use, termination. Retains the current law requirement that a referendum be conducted before the political subdivisions requests legislative approval of the tax and adds the requirement that the referendum be conducted no more than four years before legislative approval is sought. Requires the ballot question to include:</p> <ul style="list-style-type: none"> • the specific project or projects to be funded with the tax; • the amount of tax revenue used for each project and the total amount for all projects, and the estimated length of time the tax will be imposed; and • a notice that voting “yes” on the ballot question may be voting for a property tax increase. <p>The above provisions are effective the day following final enactment and apply to all local sales taxes not authorized by the legislature before July 1, 2019. Requires political subdivisions to remit any amount collected in excess of the average</p>

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Sec.	Article 7: Local Option Sales Tax	Article 6: Local Sales Taxes
		quarterly revenues over the previous 12 months to the commissioner for deposit to the state general fund. Effective the day following final enactment and applies to currently imposed local sales taxes.
	No comparable provision.	Section 5. New taxes prohibited. Prohibits a city, county, town, or other taxing authority from increasing or imposing an excise tax on food or containers. The prohibition relating to food applies at the manufacturer, distributor, wholesale, or retail levels. The prohibition does not apply to license fees imposed by a licensing authority in the exercise of that authority to license a trade, profession, or business. Effective the day following final enactment.
5	<p>Duluth (local sales tax). Increases the local sales tax by one-half of one percent, in addition to its existing one percent sales tax to pay for road and bridge improvements, based on voter approval at the 2017 general election. Revenues must be used for improvements in the Duluth Street Improvement Program 2017, as of August 8, 2017. Twenty million of the sales tax revenue must be spent on road and bridge projects in the Duluth regional exchange district established in article 10. Requires the city to comply with section 31 before imposing the tax increase.</p> <p>Allows the city to issue bonds to fund the road projects without another referendum. Excludes the bonds from the city’s debt limits. Requires the extra one-half cent to terminate at the earlier of 25 years or when revenues are sufficient to fund the allowed projects plus associated bond costs. Any extra revenues not needed to pay for the projects or associated bonds go to the city general fund. The city council may terminate the tax early if desired.</p> <p>Effective upon the city complying with the approval and filing requirements for special laws.</p>	Section 6. Duluth local sales tax. Similar. Does not include the provisions related to the Duluth regional exchange district and does not require an extra resolution.
6	<p>Liquor, lodging, and restaurant taxes (Minneapolis). Removes the limit on the total combined state and local tax rate that may be imposed on lodging establishments of 50 or more rooms in the city of Minneapolis. Currently the combined rate is 13 percent which allows the city to impose only 2.125 percent of the three percent city lodging tax that has been authorized since 1986.</p> <p>Effective for sales and purchases made after June 30, 2019.</p>	Section 7. Minneapolis liquor, lodging, and restaurant taxes. Modifies the limit on the maximum combined rate of Minneapolis lodging taxes, state general taxes, and any other local taxes to 13.875 percent in response to legislative changes in 2017 that affected lodging taxes in Minneapolis. Effective for sales and purchase made after September 30, 2019.
7	<p>Authority for taxation (St. Paul). Allows the city of St. Paul to increase the extra three percent local lodging tax that applies to places with 50 or more rooms to four percent.</p> <p>Effective on the first day of a calendar quarter 30 days after the city complies with approval and filing requirements for special laws.</p>	Section 8. Same.
8	Two Harbors lodging tax. Adjusts the cap on the lodging tax imposed in the city of Two Harbors from three percent to five percent to account for the new county lodging tax in section 23. This change will allow the city to retain the tax under special law	Section 9. Same.

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Sec.	Article 7: Local Option Sales Tax	Article 6: Local Sales Taxes
	<p>but not impose the tax under general law if the county imposes its four percent tax.</p> <p>Effective upon the city complying with approval and notice requirements for special laws.</p>	
9	<p>Sales and use tax authorized (Two Harbors). Allows the city of Two Harbors to impose an additional one-half of one percent sales tax based on voter approval at the 2018 general election. Requires the city to comply with section 31 before imposing the tax increase. Updates an obsolete cross-reference.</p> <p>Effective upon the city complying with approval and notice requirements for special laws.</p>	<p>Section 10. Similar. Does not require an extra resolution.</p>
10 - 12	<p>Use of revenues (Two Harbors). Allows the city to use the revenues from the new additional sales tax rate for capital and administrative costs of water and sewer infrastructure projects, including associated street patching, property acquisition, and related construction expenses. The city may issue up to \$30 million in bonds for the project. The additional local sales tax is equal to the earlier of 25 years or when revenues are raised to pay for \$30 million plus associated bond costs.</p> <p>Effective upon the city complying with approval and notice requirements for special laws.</p>	<p>Sections 11 to 13. Two Harbors local sales tax. Same.</p>
13	<p>Use of revenues (Cloquet). Allows the city of Cloquet to reallocate some of the \$5.8 million of local sales tax revenue currently earmarked for property development along Highway 33 and Interstate Highway 35 to the other projects that the city may already fund with its sales tax revenue.</p> <p>Effective upon the city complying with approval and notice requirements for special laws.</p>	<p>Section 14. Same.</p>
14	<p>City of Avon; local sales and use tax authorized. Allows the city of Avon to impose a local sales tax of up to one-half of one percent to raise \$1.5 million plus associated bond costs for transportation improvement projects in the city, based on approval by the voters in the 2018 general election. Requires the city to comply with section 31 before imposing the tax. Allows the city to issue up to \$1.5 million in bonds for the projects without additional voter approval. The tax expires at the earlier of December 31, 2045, or when allowed revenues are raised.</p> <p>Effective upon the city complying with approval and notice requirements for special laws.</p>	<p>Section 15. Similar. Does not require an extra resolution.</p>
15	<p>City of Blue Earth; sales and use tax authorized. Allows the city of Blue Earth to impose a local sales tax of one-half of one percent to finance \$5 million plus associated bond costs for sewer plant improvements, street reconstruction projects, and recreational amenities. Requires the city to comply with section 31 before imposing the tax. Allows the city to issue up to \$5 million in bonds for the projects without additional voter approval. The tax</p>	<p>Section 16. Similar. Does not require an extra resolution.</p>

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Sec.	Article 7: Local Option Sales Tax	Article 6: Local Sales Taxes
	<p>expires at the earlier of 25 years or when allowed revenues are raised.</p> <p>Effective upon the city complying with approval and notice requirements for special laws.</p>	
16	<p>City of Cambridge; local sales and use tax authorized. Allows the city of Cambridge to impose a local sales tax of up to one-half of one percent to finance \$8 million plus associated bond costs, for a new library facility, and \$14 million for street improvements. Requires the city to comply with section 31 as it relates to the street improvements before imposing the tax. Allows the city to issue up to \$22 million in bonds for the project without additional voter approval. The tax expires at the earlier of December 31, 2043, or when allowed revenues are raised.</p> <p>Effective upon the city complying with approval and notice requirements for special laws.</p>	<p>Section 17. Similar. Does not require an extra resolution.</p>
17	<p>City of Detroit Lakes; local sales and use tax authorized. Allows the city of Detroit Lakes to impose a local sales tax of one-half of one percent to finance \$6.7 million plus associated bond costs for a new police department facility. Allows the city to issue up to \$6.7 million in bonds for the project without additional voter approval. The tax expires at the earlier of ten years or when allowed revenues are raised.</p> <p>Effective upon the city complying with approval and notice requirements for special laws.</p>	<p>Section 18. Same.</p>
18	<p>City of Elk River; local sales and use tax authorized. Allows the city of Elk River to impose a local sales tax of one-half of one percent to finance \$35 million plus associated bond costs for a number of specified park and recreational facilities, and dredging of Lake Orono. Allows the city to issue up to \$35 million in bonds for the project without additional voter approval. The tax expires at the earlier of 25 years or when allowed revenues are raised.</p> <p>Effective upon the city complying with approval and notice requirements for special laws.</p>	<p>Section 19. Similar. Does not include the provision that bonds are not subject to any provisions of the city charter.</p>
19	<p>City of Excelsior; local sales and use tax authorized. Allows the city of Excelsior to impose a local sales tax of one-half of one percent if approved by the voters at a general election held by December 31, 2020. If approved the tax may be used to finance \$7 million plus associated bond costs for capital and administrative costs of improvements to the city commons as indicated in the Commons Master Plan adopted November 20, 2017. The tax expires at the earlier of 25 years after being imposed or when allowed revenues are raised.</p> <p>Effective upon the city complying with approval and notice requirements for special laws.</p>	<p>Section 20. Similar. Does not require voter approval at a second referendum by the end of 2020.</p>
20	<p>City of Glenwood; local sales and use tax authorized. Allows the city of Glenwood to impose a local sales tax of up to one-half of one percent to</p>	<p>Section 21. Similar. Does not require an extra resolution.</p>

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Sec.	Article 7: Local Option Sales Tax	Article 6: Local Sales Taxes
	<p>finance \$2.8 million plus associated bond costs for streets, park and recreational facility and trail improvements, and city municipal building. Requires the city to comply with section 31 before imposing the tax. Allows the city to issue up to \$2.8 million in bonds for the projects without additional voter approval. The tax expires at the earlier of 20 years or when allowed revenues are raised.</p> <p>Effective upon the city complying with approval and notice requirements for special laws.</p>	
21	<p>City of International Falls; local sales and use tax authorized. Allows the city of International Falls to impose a local sales tax of up to one percent to raise \$30 million plus associated bond costs for transportation and other public infrastructure projects in the city. Requires the city to comply with section 31 before imposing the tax. Allows the city to issue up to \$30 million in bonds for the projects without additional voter approval. The tax expires at the earlier of 30 years or when allowed revenues are raised.</p> <p>Effective upon the city complying with approval and notice requirements for special laws.</p>	<p>Section 22. Similar. Does not require an extra resolution.</p>
22	<p>La Crescent; local lodging tax authorized. Allows the city of La Crescent to impose an extra two percent local lodging tax in addition to the three percent lodging tax allowed under general law. The revenues from this additional tax must be split evenly between the city chamber of commerce to promote tourism and the La Crescent Area Event Center to promote local tourism.</p> <p>Effective upon the city’s compliance with approval and filing requirements for special laws.</p>	<p>Section 23. La Crescent lodging tax. Authorizes the city to impose a lodging tax up to two percent, in addition to the authority to impose an up to three percent lodging tax under general law. The total lodging tax in the city must not exceed five percent.</p> <p>Effective upon the city’s compliance with approval and filing requirements for special laws.</p>
23	<p>Lake County; local lodging tax authorized. Allows Lake County to impose up to a four percent lodging tax in the county with three-fourths of the money going for countywide marketing and one-fourth for promoting community events and festivals. The tax is in addition to any existing lodging tax imposed by a city, town, or the county in an unorganized territory under the general lodging tax statute; however no city or town may impose a new local lodging tax under the general authority while the county tax is in effect.</p> <p>Effective upon the city’s compliance with approval and filing requirements for special laws.</p>	<p>Section 24. Same.</p>
24	<p>City of North Mankato; local food and beverage tax authorized. Allows the city of North Mankato to impose a food and beverage tax of up to one percent in the city. The tax also applies to retail on-sale of alcoholic beverages. Revenues from the tax must be used for operation, maintenance, and capital expenses for the Casewell Regional Sporting Complex, including paying associated bonds; and for costs related to regional tourism events. Allows the city to enter into an agreement with the commissioner of revenue to collect the tax on the city’s behalf.</p>	<p>Section 25. Same.</p>

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Sec.	Article 7: Local Option Sales Tax	Article 6: Local Sales Taxes
	Effective upon the city’s compliance with approval and filing requirements for special laws.	
25	<p>City of Perham; local sales and use tax authorized. Allows the city of Perham to impose a local sales tax of up to one-half of one percent to raise \$5.2 million plus associated bond costs for capital costs related to the Perham Area Community Center project. Allows the city to issue up to \$5.2 million in bonds for the project without a separate referendum. The tax expires at the earlier of 20 years or when allowed revenues are raised.</p> <p>Effective upon the city’s compliance with approval and filing requirements for special laws.</p>	<p>Section 26. Same.</p>
26	<p>City of Plymouth; local lodging tax authorized. Allows the city of Plymouth to impose an extra three percent local lodging tax for five years, in addition to the three percent lodging tax allowed under general law. Two thirds of the revenues from this special tax must be used for capital improvements to public recreational facilities and for marketing and promotion and the remaining one-third must be used as required under general law—to fund a local convention or tourism bureau.</p> <p>Effective upon the city’s compliance with approval and filing requirements for special laws.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p>Section 27. Rogers local sales and excise taxes. Authorizes the city to impose an up to 0.25 percent tax and a \$20 motor vehicle excise tax and issue up to \$16.5 million in bonds for trail and pedestrian facilities including I-94 crossing, County Road 144 pedestrian tunnel, and other new trails and trail connections; various aquatics facilities; and various community athletic facilities. The tax would terminate at the earlier of 20 years or when sufficient revenue to pay the bonds has been raised.</p> <p>Effective upon the city’s compliance with approval and filing requirements for special laws.</p>
	<p>No comparable provision</p>	<p>Section 28. Sartell food and beverage tax. Authorizes the city to impose a tax of up to 1.5 percent for capital or operational costs for new and existing recreational facilities and amenities in the city. The tax terminates five years after first imposed. Effective upon the city’s compliance with approval and filing requirements for special laws.</p>
27	<p>City of Sauk Centre; local sales and use tax and excise tax authorized. Allows the city of Sauk Centre to impose a local sales tax of up to one-half of one percent and an excise tax of \$20 per motor vehicle sold commercially in the city. The city may use \$10 million in revenues plus associated bond costs from the taxes to fund city infrastructure projects, related to the reconstruction of Trunk Highway 71. Allows the city to issue up to \$10 million in bonds for the project without a separate referendum. The tax expires at the earlier of December 31, 2045, or when allowed revenues are raised.</p>	<p>Section 29. Same.</p>

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Sec.	Article 7: Local Option Sales Tax	Article 6: Local Sales Taxes
	Effective upon the city’s compliance with approval and filing requirements for special laws.	
	No comparable provision.	<p>Section 30. Scanlon local sales tax. Authorizes the city to impose an up to 0.5 percent tax and issue up to \$400,000 in bonds for city street improvements and utility infrastructure, including storm sewer and sanitary sewer improvements. The tax would terminate at the earlier of ten years or when sufficient revenue to pay the bonds has been raised.</p> <p>Effective upon the city’s compliance with approval and filing requirements for special laws.</p>
28	<p>City of Virginia; local sales and use tax authorized. Allows the city of Virginia to impose a local sales tax of up to one percent to fund \$30 million plus associated bond costs for renovation, reconstruction, expansion, and improvements of the Miner’s Memorial recreation complex and convention center. Allows the city to issue up to \$200,000 in bonds for the project without a separate referendum. The tax expires at the earlier of 20 years or when allowed revenues are raised.</p> <p>Effective upon the city’s compliance with approval and filing requirements for special laws.</p>	Section 31. Same.
	No comparable provision.	<p>Section 32. West St. Paul local sales tax. Authorizes the city to impose a 0.5 percent tax and issue up to \$28 million in bonds for rebuilding and repair of transportation corridors and related ancillary roads in the city. The tax would terminate at the earlier of 20 years or when sufficient revenue to pay the bonds has been raised.</p> <p>Effective upon the city’s compliance with approval and filing requirements for special laws.</p>
29	<p>City of Willmar; local sales and use tax authorized. Allows the city of Willmar to impose a local sales tax of up to one-half of one percent and up to a \$20 excise tax on commercial sales of motor vehicles to finance \$30 million plus associated bond costs, for replacement of a community center, a number of enumerated recreational facilities, and a storm water management project. Allows the city to issue up to \$30 million in bonds for the projects without a separate referendum. The tax expires at the earlier of 13 years or when allowed revenues are raised.</p> <p>Effective upon the city’s compliance with approval and filing requirements for special laws.</p>	Section 33. Same.
30	<p>City of Worthington; local sales and use and excise taxes authorized. Allows the city of Worthington to impose a local sales tax of one-half of one percent and a \$20 excise tax on commercial sales of motor vehicles to finance \$25 million plus associated bond costs for various park and recreational facility improvements, lake quality improvements, and a street plaza. Requires the city to comply with section 31 before imposing the tax. Allows the city to issue up to \$25 million in bonds for the projects without a separate referendum. The</p>	Section 34. Similar. Does not authorize the motor vehicle excise tax and does not require an extra resolution.

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Sec.	Article 7: Local Option Sales Tax	Article 6: Local Sales Taxes
	<p>tax expires at the earlier of 15 years or when allowed revenues are raised.</p> <p>Effective upon the city’s compliance with approval and filing requirements for special laws.</p>	
31	<p>Resolution and public notice of specific projects to be funded with a local sales tax. Cities that must comply with this section must pass a new resolution before imposing or increasing a local sales tax. The resolution must list each specific project and dollar amount of each project to be funded with the sales tax revenue. Defines what qualifies as a “specific project.” The resolution must be approved by the commissioner of revenue before the tax is imposed and the resolution must be posted on the city website for the duration of the tax. Only projects listed in the new resolution may be funded with the sales tax revenues.</p> <p>Effective the day after final enactment.</p>	No comparable provision.

Sec.	Article 8: Tax Increment Financing	Article 7: Tax Increment Financing
1	<p>Bloomington tax increment financing; five-year rule. Extends the five-year rule to 25 years.</p> <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	<p>Section 2. Similar. Provides a two-year extension (from 15 to 17 years).</p>
	No comparable provision.	<p>Section 1. City of Hopkins. Modifies pooling authority granted under a 2003 special law for the city of Hopkins by authorizing the city to pool increment for redevelopment (blight) activities, in addition to current law administrative expenses and housing activities. Pooling for administrative activities is limited to ten percent and pooling for housing/redevelopment activities is limited to 20 percent. The total amount of pooling authorized for the district is 25 percent.</p> <p>Effective upon approval by the city, and compliance with filing requirements.</p>
2	<p>Authority to create districts (Edina). Extends, by two years, the authority of the city of Edina to establish housing tax increment financing districts pursuant to special legislation granted in 2014.</p> <p>Effective without local approval.</p>	<p>Section 3. Similar. Requires approval by the city of Edina.</p>
3	<p>Pooling authority (Edina). Authorizes the use of increment generated from the Southdale 2 district and used to fund housing projects in the districts established by section 2 (and previous special laws) to satisfy the five-year pooling requirement of the districts created by these sections and previous special laws.</p> <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	No comparable provision.
	No comparable provision.	<p>Section 4. City of Alexandria; TIF District No. 50. Provides a three-year extension of the five-year rule for Tax Increment Financing District No. 50 in the city of Alexandria.</p>

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Sec.	Article 8: Tax Increment Financing	Article 7: Tax Increment Financing
		Effective upon approval by the city of Alexandria, and compliance with filing requirements.
	No comparable provision.	<p>Section 5. City of Anoka; Commuter Rail Transit Village. Provides a three-year extension of the five-year rule for the Commuter Rail Transit Village Tax Increment Financing District in the city of Anoka. The district received previously received a three-year extension of the five-year rule under general law.</p> <p>Effective upon approval by the city of Alexandria, and compliance with filing requirements.</p>
4	<p>City of Champlin; tax increment financing district; project requirements. Authorizes the following special rules for the city of Champlin’s Mississippi Crossings TIF district:</p> <ul style="list-style-type: none"> • Extends the five-year rule to ten years. • Extends the district’s duration an additional five years. • Exempts the district from the requirement that starting in the district’s sixth year, increment must be used to decertify the district. <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	<p>Section 6. Similar. Does not exempt the district from the six-year rule, and requires approval of the special law by the city, county, and school district.</p>
5	<p>City of Minneapolis; upper harbor terminal redevelopment project. Authorizes the city of Minneapolis to create redevelopment TIF districts in the Upper Harbor Terminal project area. The following special rules would apply to any TIF district created:</p> <ul style="list-style-type: none"> • Exempt from the statutorily required blight findings for establishing a redevelopment district. • Exempt from the requirement that increment be spent on correction of blight conditions. • Extends the five-year rule to ten years. • Exempt from the percentage pooling rules so long as increment is spent within the defined geographic area. <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	<p>Section 8. Similar. Does not extend the five-year rule, and increases pooling by only ten percent on activities outside the district, but within project area.</p>
6	<p>Expenditure of hazardous substance subdistrict tax increment (Roseville). Allows the city of Roseville to use all increment collected within its Hazardous Substance Subdistrict No. 17A to fund environmental remediation on parcels within or adjacent to the district, including increment generated, but not expended, within the district’s first five years after certification.</p> <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	<p>Section 9. Similar. Requires increment to be spent on parcels within the district.</p>
7	<p>City of Duluth; tax increment financing district; project requirements. Authorizes the city of Duluth to create redevelopment TIF districts within</p>	<p>Section 7. Similar. Authorizes only one district, and does not exempt the district from the prohibition on increment being used for public</p>

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Sec.	Article 8: Tax Increment Financing	Article 7: Tax Increment Financing
	<p>a project area in downtown Duluth with the following special rules:</p> <ul style="list-style-type: none"> • Exempt from the statutorily required blight findings for establishing a redevelopment district. • Exempt from the requirement that increment be spent on correction of blight conditions. • Exempt from prohibition on increment being used for public parks, or facilities used for social, recreational, or conference purposes. <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	<p>parks, or facilities used for social, recreational, or conference purposes.</p>
8	<p>City of Burnsville; TIF authority. Authorizes the city of Burnsville to create redevelopment TIF districts within the limited area of the Burnsville Center mall and adjacent rights-of-way. The following special rules apply to any TIF district created:</p> <ul style="list-style-type: none"> • Exempt from the statutorily required blight findings for establishing a redevelopment district. • Exempt from the requirement that increment be spent on correction of blight conditions <p>Effective upon local approval and compliance with filing requirements for special laws.</p>	<p>No comparable provision.</p>

Sec.	Article 9: Public Finance	Article 8: Public Finance
1	<p>Bonding authority (State Agricultural Society). Increases the total amount of bonds issued and outstanding by the state agricultural society from \$20 million to \$30 million.</p>	<p>Section 1. Same.</p>
2	<p>Interest (maximum interest rates on drainage lien). Increases the maximum interest rate that counties can charge on drainage lien principal to six percent. Present law sets the limit at a floating interest rate pegged to the rate on one-year Treasury securities.</p>	<p>Section 2. Same.</p>
3	<p>Bond authorization (school districts). Eliminates the public notice requirement for school districts prior to the solicitation of bids so that notice is required only before the issuance of bonds or before the final certification of levies.</p>	<p>Section 3. Same.</p>
4	<p>Authorization; rates (transportation sales and use tax; authorization and rates). Amends current law to clarify that any county may impose a transportation sales and use tax under current law, as all counties are now defined as being outside the “metropolitan transportation area” due the disbanding of CTIB.</p>	<p>Section 4. Same.</p>
5	<p>Allocation; termination. Clarifies that a county may issue transportation sales tax bonds for multiple projects, and requires a public hearing on new enumerated projects.</p>	<p>No comparable provision.</p>
6	<p>Bonds. Allows a county to issue bonds secured by the transportation sales and use tax. Bond issuance is subject to a public hearing, and the projects</p>	<p>Section 5. Similar, except that Senate does not require a public hearing or inclusion in county’s capital improvement plan.</p>

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Sec.	Article 9: Public Finance	Article 8: Public Finance
	funded with the bonds must be included in a county's capital improvement plan.	
7	Municipality may file bankruptcy petition. Updates the reference to the United States Bankruptcy Code to reflect amendments made since 1996 and to adopt future amendments in law authorizing municipalities to file for bankruptcy.	Section 6. Same.
8	Obligations. Provides authority for the Metropolitan Council to issue up to an additional \$92.3 million in "regional transit capital" bonds or similar forms of debt, with the authority spread over two years. Effective the day following final enactment and applies to the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.	No comparable provision.
9	Limitation; light rail transit (Metropolitan Council debt obligations). Limits the 2017 prohibition on using Metropolitan Council debt for light rail improvements to obligations authorized by the 2017 law. Currently, the prohibition applies to any debt issued by the council under the amended section. Effective the day following final enactment and applies to the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.	No comparable provision.
	No comparable provision.	Section 7. Public facilities project. Expands the types of district heating/cooling projects that qualify as public facilities projects under the bond allocation statute by allowing both publicly and privately owned facilities. Under current law, the facility must be either publicly owned or owned by a nonprofit organization to qualify for an allocation of public facilities bonding.
10	Definitions (authority of towns to issue capital improvement bonds). Modifies the definition of "municipality" for purposes of capital improvement bonds so that any town can issue these bonds, regardless of population, permitting a town to issue capital improvement bonds without holding a town meeting.	Section 8. Same.
11	Repealer. Repeals the expiration of the state agricultural society's bonding authority.	Section 9. Same.
	No comparable provision.	Section 10. Effective Date. Provides that all sections in the public finance article are effective July 1, 2019.

Sec.	Article 10: Miscellaneous	Article 9: Miscellaneous
1	Taxpayer receipt. Requires Minnesota Management and Budget (MMB) to publish an interactive taxpayer receipt on its website. The receipt would describe the share of state general fund expenditures represented by major expenditure categories, as well as the approximate allocation of motor vehicle fuels taxes among transportation expenditures. Based on the user's income, the website must estimate the amount of income, sales, alcohol, tobacco, and motor vehicle fuels taxes paid by the user. The bill additionally requires the receipt	No comparable provision.

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Sec.	Article 10: Miscellaneous	Article 9: Miscellaneous
	<p>to display select data on performance goals and outcomes.</p> <p>Effective for taxable years beginning after December 31, 2018.</p>	
2	<p>Tom Rukavina Memorial Bridge. Designates the bridge on U.S. Highway 53 over a mining area in the city of Virginia as the Tom Rukavina Memorial Bridge. Onetime money to the city of Virginia to retire debt associated with this bridge is included in city LGA in the aids and credit article.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p>Section 1. Private letter rulings.</p> <p>Subd. 1. Program established. Requires the commissioner of revenue to establish a program to issue private letter rulings to taxpayers to provide guidance on how the commissioner will apply tax laws to specific situations, transactions, or arrangements that apply to the taxpayer.</p> <p>Subd. 2. Application procedure; fees. Requires the commissioner to establish an application procedure and forms to request a private letter ruling. Authorizes the commissioner to establish a fee schedule, capped at \$1,000, to cover the department’s costs of preparing rulings. The commissioner must refund the fee if a ruling is not issued within 90 days of the taxpayer filing a complete application. Appropriates fees to a special revenue fund to offset costs of the private letter ruling program and related administrative costs.</p> <p>Subd. 3. Effect. Provides that a private letter ruling is binding on the commissioner if there was no misstatement or omission of material facts in the application; the facts that subsequently developed were not materially different from the facts on which the ruling was based; applicable state and federal rules and laws have not changed; and the taxpayer acted in good faith in applying for and relying on the ruling. Private letter rulings have no precedential effect and may not be relied upon by a taxpayer other than the taxpayer requesting the ruling.</p> <p>Subd. 4. Public access. Requires the commissioner to make rulings available and searchable on the department’s website. Rulings must be organized by tax type. Identifying information must be redacted.</p> <p>Subd. 5. Legislative report. Requires the commissioner to issue a report to the legislature by January 31 of each odd-numbered year, with the first report required by January 31, 2024. The report must contain the number of applications for private letter rulings; the number of rulings issued, including the number issued within 90 days; the amount of application fees refunded by tax type; the tax types for which rulings were requested; the types and characteristics of taxpayers requesting rulings; and any other relevant information.</p>

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Sec.	Article 10: Miscellaneous	Article 9: Miscellaneous
		Effective July 1, 2021.
3	<p>Taxpayer assistance grants. Expands the Department of Revenue’s existing taxpayer assistance grants to include grants to qualifying organizations to provide financial capability services and financial coaching. The bill also requires the commissioner of revenue to offer technical assistance to certain organizations interested in receiving a grant to provide these services, if resources allow.</p> <p>Effective for taxable years beginning after December 31, 2018.</p>	No comparable provision.
	No comparable provision.	<p>Section 2. Authority to request dual examination. Provides that a qualified taxpayer subject to on-site examination or audit under the income tax chapter or the sales tax chapter may request in writing that the commissioner conduct the audit or examination under both chapters at the same time. The request must be timely made from the date of receipt of notice of intent to conduct on-site audit or examination. If the request is timely made and the commissioner audits or examines the tax due under only one of the two chapters, the commissioner may not audit or examine the tax due by the requesting taxpayer under the other chapter for the period under which the audit or examination was conducted.</p> <p>A “qualifying taxpayer” must have been issued a sales tax permit. The commissioner must have audited or examined the taxpayer’s income or sales tax returns no more than five years before the taxable year subject to the request for dual examination, and must have determined an additional tax liability of no more than \$1,000.</p> <p>Effective for examinations and audits commenced after June 30, 2021.</p>
	No comparable provision.	<p>Section 3. Limitations; sales taxes. Prohibits the commissioner from assessing additional sales taxes owed if the tax reported is consistent with the taxpayer’s past reporting or other practices that were disclosed to and reviewed by the commissioner, including by audit that assessed no liability; and, for the next reporting period, the statute or administrative rule on which the reporting or practice is based has not materially changed, a revenue notice has not been issued, and the commissioner has not notified the taxpayer in writing of a change in position on the reporting or practice.</p> <p>Effective for assessments made after June 30, 2021.</p>
	No comparable provision.	<p>Section 4. Limits on assessments. Reduces or eliminates assessments issued under current authority if the amount assessed arose from the taxpayer’s failure to collect or withhold a tax from another individual or entity due to reasonable cause. Reasonable cause includes lack of clarity regarding the collection or withholding requirements and</p>

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Sec.	Article 10: Miscellaneous	Article 9: Miscellaneous
		<p>failure to collect or withhold based on prior written advice of the specific question of requirement to collect or withhold. Ignorance of the law does not constitute reasonable cause.</p> <p>Effective for assessments made after June 30, 2021.</p>
	<p>No comparable provision.</p>	<p>Section 5. Authority. Allows the commissioner to abate or decline to impose penalties for underpayment of estimated individual and corporate franchise taxes.</p> <p>Effective July 1, 2021.</p>
	<p>No comparable provision.</p>	<p>Section 6. Time and content for administrative appeal. Adds a description of the “reasonable cause” exception for failure to collect or withhold to the information required in an appeal of a tax due notice.</p> <p>Effective for assessments made after June 30, 2021.</p>
<p>4</p>	<p>Taxpayer receipt. Requires the Department of Revenue to include on the individual income tax forms the option to elect to receive information about the taxpayer receipt.</p> <p>Effective for taxable years beginning after December 31, 2018.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p>Section 7. Time limit; generally. Modifies time limit for refund of tax overpayment to the later of three and one-half years from the filing due date or two years from the time the tax was paid. Limits the amount of refund based on the date the claim was filed.</p> <p>Effective for refund claims filed after June 30, 2021.</p>
	<p>No comparable provision.</p>	<p>Section 8. Penalty for failure to pay tax. Provides that the penalties under current law for failure to timely pay tax do not apply if the calculated penalty is less than \$150, or for underpayment of income or sales taxes, if the liability on which the penalty is calculated is less than \$1,000 and the taxpayer filed timely returns and was not subject to other penalties for the previous three calendar years.</p> <p>Effective for penalties imposed after June 30, 2021.</p>
	<p>Article 4, section 2. Similar. Effective day following final enactment.</p>	<p>Section 9. Form of application. Provides for the commissioner to prescribe the form and manner of an application for a petroleum distributor’s license.</p> <p>Effective July 1, 2019.</p>
	<p>Article 4, section 3. Similar. Provisions differ in titles of officials who are to be personally liable for the tax. Effective day following final enactment.</p>	<p>Section 10. Form of application; personal liability for tax. Amends the requirement for petroleum distributors and special fuels dealers to post or request an exemption from a bond payment to require that personal liability for the tax applies to corporate directors and officers, governors and managers of a limited liability company, or members of partnerships who, either individually or jointly, have control, supervision, or responsibility of filing returns and paying petroleum and special fuels taxes.</p>

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Sec.	Article 10: Miscellaneous	Article 9: Miscellaneous
		Effective July 1, 2019.
	No comparable provision.	<p>Section 11. Combined net receipts tax. Modifies the tax on lawful gambling combined net receipts. The tax is imposed on the net receipts from the conduct of paper or electronic pull-tabs, tipboards, and electronic linked bingo. The provision would reduce the first tier rate from nine to eight percent; the second tier rate from 18 to 16 percent; the third tier rate from 27 to 24 percent; and the fourth tier rate from 36 to 32 percent. Strikes an obsolete requirement for the commissioner to adjust the combined net receipts rates.</p> <p>Effective July 1, 2019.</p>
	No comparable provision.	<p>Section 12. Available revenues. Lowers the lawful gambling base amount in each fiscal year by amounts proportionate to the reductions in the combined net receipts tax.</p> <p>Effective the day following final enactment.</p>
	No comparable provision.	<p>Section 13. Available revenues. Strikes the reference to the annual transfer of corporate franchise tax revenues to the stadium reserve account. The authority to transfer is modified in section 14.</p>
	No comparable provision.	<p>Section 14. Revenue dedication. Authorizes the commissioner of MMB to add up to \$20 million each year from corporate franchise tax revenues to the stadium reserve account after notifying the chairs and ranking minority members of the house Ways and Means Committee and senate Finance Committee within 15 days of the increase. Any increase must continue in subsequent fiscal years.</p>
	No comparable provision.	<p>Section 15. Appropriation; general reserve account. Adds a reference to the new subdivision created in section 14 for purposes of amounts that may be appropriated from the general fund to the stadium reserve account.</p>
		<p>Section 16. Closed-system cartridge. Creates a definition of “closed-system cartridge” for purposes of the surcharge imposed under section 18. A closed-system cartridge is a disposable package prefilled with material containing nicotine that is consumed or intended to be consumed with a heating element and is not intended to be reused, refilled, or opened.</p> <p>Effective January 1, 2020.</p>
	No comparable provision.	<p>Section 17. Tobacco products. Adds closed-system cartridges to the definition of tobacco products under current law.</p> <p>Effective January 1, 2020.</p>
	No comparable provision.	<p>Section 18. Surcharge; closed-system cartridges. Imposes a \$2 surcharge on the retail sale of each closed-system cartridge. Excludes the surcharge from the retail sales price of a closed-system cartridge. The surcharge must be remitted in the same manner as the general sales tax.</p>

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Sec.	Article 10: Miscellaneous	Article 9: Miscellaneous
		Effective for closed-system cartridges bought or sold in the state after December 31, 2019.
	No comparable provision.	Section 19. Rates; vapor products. Imposes a distributor tax of 5¢/ml of consumable material for vapor products. “Consumable material” is liquid solution or similar material that is depleted as a vapor product is used.
	No comparable provision.	Section 20. Occupation taxes to be apportioned; transferred. Provides that any occupation tax proceeds that remain in the general fund after all statutory appropriations are made shall be transferred to the taconite economic development fund. The transfer is capped at \$4 million annually. If insufficient funds remain in the general fund in any year after all statutory appropriations are made, no transfer under this section will be made. Effective beginning with distributions made in 2020 and thereafter.
	No comparable provision.	Section 21. Taconite economic development fund. Provides that the occupation tax proceeds transferred under section 20 shall be held by the commissioner of Iron Range resources and rehabilitation in separate funds for each taconite and direct reduced ore producer. Each producer’s share of the proceeds shall be proportional to the amount of occupation tax paid by that producer each year. Effective beginning with distributions made in 2020 and thereafter.
	No comparable provision.	Section 22. Taconite production tax; remainder. Provides that the city of Iron Junction shall receive \$5,000 annually from Taconite Railroad Aid. Effective for distributions in 2020 and thereafter.
	No comparable provision.	Section 23. Distribution of taconite municipal aid account. Provides that Breitung Township shall receive \$15,000 annually from the taconite municipal aid account. Effective for distributions in 2020 and thereafter.
	No comparable provision.	Section 24. Expenditure restrictions, requirements, and civil penalties. Modifies the star rating thresholds for licensed charitable gambling organizations, which are evaluated every July 1 for the percentage of lawful purpose expenditures made compared to available gross profits. Increases the probation thresholds for minimum expenditures for lawful purposes from 20 percent to 25 percent for organizations that conduct lawful gambling in a location where the primary business is bingo and from 30 percent to 40 percent for all other organizations. The star rating modifications are as follows: <ul style="list-style-type: none"> • Five stars: increased from 50% to 70% • Four stars: increased from 40% > 50% to 55% > 70% • Three stars: increased from 30% > 40% to 40% > 55%

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Sec.	Article 10: Miscellaneous	Article 9: Miscellaneous
		<ul style="list-style-type: none"> • Two stars: increased from 20% > 30% to 25% > 40% • One star: less than 25% <p>Effective July 1, 2019.</p>
	<p>No comparable provision.</p>	<p>Section 25. Powers and duties. Modifies the annual reporting requirement for the Gambling Control Board’s report to the governor and legislature to include a tabulation of the number of compliance reviews completed, the percentage of organizations reviewed, an average of the number of months between reviews, the number, location and organization of site inspections, the number of allegations awaiting investigation by the board.</p> <p>Effective July 1, 2019.</p>
	<p>No comparable provision.</p>	<p>Section 26. Workforce and affordable homeownership development program. Modifies the workforce and affordable homeownership development program to include loans, extends the program to cities and tribal governments, and modifies the date of the first report due to the legislature to include projects that received loans as well as grants. Establishes a workforce and affordable housing development account within the Housing Finance Agency, funded from mortgage registry tax and deed transfer tax revenues. The funds deposited to the account equal the amount collected during the fiscal year ending in that calendar year over that amount from the previous fiscal year, up to \$4 million. The increment must not be less than zero. Loans repaid must be deposited to the workforce and affordable housing development account within the housing development fund that exists under current law.</p> <p>Effective July 1, 2019.</p>
<p>5 - 11</p>	<p>Duluth Regional exchange district. Establishes a public economic development project to support the medical centers in the city of Duluth similar to the Destination Medical Center in the city of Rochester.</p> <p>Section 5. Defines terms used in establishing a regional exchange district and district advisory board to redevelop the area around the Essentia and St. Luke’s hospitals in downtown Duluth</p> <p>Sec. 6. Creates the district and defines the boundaries. States the public purpose in creating the district.</p> <p>Sec. 7. Establishes the Regional Exchange District Advisory Board (REDAB) with nine members. Lays out the terms, duties, and restrictions for the board members.</p> <p>Sec. 8. Requires REDAB to prepare a proposed comprehensive development plan by March 31, 2021, and specifies content.</p> <p>Sec. 9. Outlines the duties and powers of the city in the district including exercise of port authority powers to implement the development in the district. Requires use of steel made from iron ore</p>	<p>No comparable provision.</p>

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Sec.	Article 10: Miscellaneous	Article 9: Miscellaneous
	<p>mined from the taconite assistance area if practicable and that the city make reasonable efforts to insure women and members of minority communities are hired. Also exempts it from competitive bidding for parking or other public improvements. Requires the city to use at least \$20 million of the city utility fund for utility improvements and also provide financial and administrative support and space to REDAB.</p> <p>Sec. 10. Exempts the county or city from certain limitations on the use of economic development abatements and tax increment financing in the regional development district.</p> <p>Sec. 11. Requires REDAB to prepare a proposed initial development plan by March 31, 2020, and lists required elements</p> <p>Effective after Duluth files local approval with the secretary of state.</p>	
12	<p>Taxpayer assistance grants appropriation. Provides an appropriation to support the expanded taxpayer assistance grant program established in section 2. This section also caps the total amount of the program funding that may be used for administrative costs at no more than five percent.</p>	No comparable provision.
13	<p>Appropriations; taxpayer receipt. Appropriates \$100,000 in fiscal year 2021 to MMB to develop the taxpayer receipt. The base for the appropriation is \$47,000.</p>	No comparable provision.
	<p>Article 4, section 15. Similar. Repeals requirement that licensed distributors of petroleum and other fuels furnish bonds to the commissioner of revenue to ensure payment of taxes.</p> <p>Effective day following final enactment.</p>	<p>Section 18. Repealer. Repeals requirement that licensed distributors of petroleum and other fuels furnish bonds to the commissioner of revenue to ensure payment of taxes.</p> <p>Effective July 1, 2019.</p> <p>Repeals the authority for counties and statutory or home rule charter cities to impose a local gambling tax of up to three percent of annual gross receipts of licensed lawful gambling organizations.</p> <p>Effective July 1, 2019.</p>

Sec.	Article 11: Department of Revenue – Individual Income and Corporate Franchise Tax – Policy	Article 11: Department of Revenue Individual Income and Corporate Franchise Taxes; Policy Changes
1	<p>Social Security benefits. Ensures the married filing separately bracket for the social security subtraction is exactly half of the married filing jointly bracket.</p> <p>Effective for taxable years beginning after December 31, 2018.</p>	Section 1. Same.
2	<p>Accelerated recognition of certain installment sale gains. Deletes the phrase “allocable amount” which is rendered unnecessary by the changes in section 3.</p> <p>Effective the day following final enactment.</p>	Section 2. Same.

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Sec.	Article 11: Department of Revenue – Individual Income and Corporate Franchise Tax – Policy	Article 11: Department of Revenue Individual Income and Corporate Franchise Taxes; Policy Changes
3	<p>Schedule of rates for individuals, estates, and trusts. Provides for the representation of accelerated installment sale receipts in the nonresident apportionment fraction of taxpayers who pay income taxes on accelerated installment sale gains. Effective the day following final enactment.</p> <p>Ensures the married filing separately bracket is exactly half of the married filing jointly bracket. Effective for taxable years beginning after December 31, 2018.</p>	Section 3. Same.
4	<p>Inflation adjustment of brackets. Ensures the married filing separately bracket is exactly half of the married filing jointly bracket.</p> <p>Effective for taxable years beginning after December 31, 2018.</p>	Section 4. Same.

Sec.	Article 12: Department of Revenue – Individual Income and Corporate Franchise Tax – Technical	Article 12: Department of Revenue Individual Income and Corporate Franchise Taxes; Technical Changes
1	<p>Federal tax changes. Specifies that taxpayers are required to report adjustments to the department following a settlement or compromise with the IRS.</p> <p>Effective the day following final enactment.</p>	Section 1. Same.
2	<p>Payments to horse racing license holders. Corrects a cross-reference that was moved in a prior session.</p> <p>Effective the day following final enactment.</p>	Section 2. Same.
3	<p>Designation of a qualified beneficiary. Allows a taxpayer to designate the required beneficiary at the same time as they file their income tax return.</p> <p>Effective the day following final enactment.</p>	Section 3. Same.

Sec.	Article 13: Department of Revenue – Partnership Tax – Policy	Article 10: Partnership Audits
1	<p>Enforcement; administrative order; penalties; cease and desist. Conforming changes and cross-references added to the changes made by section 7.</p> <p>Effective date: retroactively for tax year 2018 or earlier tax periods.</p>	<p>Section 1. Similar.</p> <p>Effective date: Federal final adjustments after June 30, 2019.</p>
2	<p>Individual income, fiduciary income, mining company, corporate franchise, and entertainment taxes. Conforming changes and cross-references added to the changes made by section 7.</p> <p>Effective date: retroactively for tax year 2018 or earlier tax periods.</p>	<p>Section 2. Similar.</p> <p>Effective date: Federal final adjustments after June 30, 2019.</p>
3	<p>Erroneous refunds. Conforming changes and cross-references added to the changes made by section 7.</p>	<p>Section 3. Similar.</p> <p>Effective date: Federal final adjustments after June 30, 2019.</p>

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Sec.	Article 13: Department of Revenue – Partnership Tax – Policy	Article 10: Partnership Audits
	Effective date: retroactively for tax year 2018 or earlier tax periods.	
4	<p>Incorrect determination of federal adjusted gross income. Conforming changes and cross-references added to the changes made by section 7.</p> <p>Effective date: retroactively for tax year 2018 or earlier tax periods.</p>	<p>Section 4. Similar.</p> <p>Effective date: Federal final adjustments after June 30, 2019.</p>
5	<p>Definitions; partnerships; federal adjustments. Adds various definitions relating to the reporting of federal adjustments and federal adjustments to partnership returns.</p> <p>Effective date: retroactively for tax year 2018 or earlier tax periods.</p>	<p>Section 5. Similar.</p> <p>Effective date: Federal final adjustments after June 30, 2019.</p>
6	<p>Reporting federal adjustments; general rule. Requires taxpayers to report federal audit adjustments, and amended federal returns to Minnesota within 180 days. Partnerships having undergone entity level audit are exempt from this provision and are required to report adjustments to Minnesota.</p> <p>Effective date: retroactively for tax year 2018 or earlier tax periods.</p>	<p>Section 6. Similar.</p> <p>Effective date: Federal final adjustments after June 30, 2019.</p>
7	<p>Reporting and payment requirements. Requires a partnership filing a federal adjustments report to include residency information for all individual direct and indirect partners. Partnerships electing to pay at the entity level must:</p> <ul style="list-style-type: none"> • exclude adjustments to exempt direct and indirect partners; • allocate the federal adjustments for all direct and indirect resident partners; • allocate and apportion the federal adjustments for all nonresident partners; • determine the distributive share of federal adjustments to resident partners, corporate and exempt, and all other (nonresident) partners; and • calculate the tax for corporate and exempt partners, and for resident and nonresident direct and indirect partners. <p>Requires tiered and indirect partners reporting federal adjustments to file and pay at the entity level.</p> <p>Disallows nonresident direct and indirect partners from claiming a deduction or credit for taxes paid at the entity level.</p> <p>Does not allow modified reporting and payment.</p> <p>Effective date: retroactively for tax year 2018 or earlier tax periods.</p>	<p>Section 7. Requires a partnership filing a federal adjustments report to include residency information for individual direct partners. Allows the partnerships electing to pay at the entity level to:</p> <ul style="list-style-type: none"> • exempt the distributive share of final federal adjustments made to a direct exempt partner; • allocate and apportion at the partnership level the distributive share of final federal adjustments that are attributed to direct corporate partners and direct exempt partners; • allocate at the partnership level the total distributive share of final federal adjustments attributable to resident direct partners; • allocate and apportion at the partnership level the total distributive share of the remaining final federal adjustments attributable to nonresident individual direct partners and direct partners who are an estate or trust; and • for the total distributive share of the remaining final federal adjustments reported to tiered partners, to determine the amount of adjustments subject to sourcing to Minnesota for a nonresident partner, that are fully sourced to the taxpayer’s state of residency and then determine the portion of the amount properly allocable to nonresident direct partners or other partners not subject to tax on the adjustments.

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Sec.	Article 13: Department of Revenue – Partnership Tax – Policy	Article 10: Partnership Audits
		<p>Disallows an audited partnership not otherwise subject to reporting or payment requirements from making an election to pay at the entity level.</p> <p>Allows the commissioner to make a determination that the primary purpose of a tiered partnership was that it was structured to allow an indirect individual resident partner to avoid paying income tax, which would prohibit the partnership from electing to pay at the entity level.</p> <p>Amounts properly reported and paid by audited partnerships or tiered partners are treated in lieu of taxes owed by direct partners, and by indirect partners, to the extent applicable. Allows resident direct partners to claim a credit against income taxes paid by the audited partnership or tiered partners on the resident partner’s behalf to another state or local jurisdiction.</p> <p>Allows an audited partnership or tiered partner to enter into an agreement to use an alternative reporting and payment method upon demonstration that the requested method will reasonably provide for accurate reporting and payment of taxes, penalties, and interest.</p> <p>Effective date: Federal final adjustments after June 30, 2019.</p>
8	<p>Assessment of tax, interest, penalties, and additional amounts. Allows the commissioner of revenue to assess any additional amounts of tax following a federal adjustment.</p> <p>For timely filed adjustments, the statute of limitations on assessment is extended for a period of one year. For untimely filed adjustments, the statute of limitations is extended for the shorter of (1) one year after the filing of the untimely report, or (2) six years.</p> <p>Does not include subd. 4 from Senate language.</p> <p>Effective date: retroactively for tax year 2018 or earlier tax periods.</p>	<p>Section 8. Assessment of tax, interest, penalties, and additional amounts. Subds. 1 to 3 require that assessments of additional amounts of tax must be related to federal adjustments.</p> <p>Subd. 4 allows taxpayers to make estimated payments of tax expected to result from a pending IRS audit without having to file a report with the commissioner. The estimated tax payments must be credited toward any tax due and limit further interest on the amount of estimated payment. If estimated payments exceed the amount of final tax liability and interest, a taxpayer may claim a credit or refund, provided the report or claim for refund or credit is filed under section 9.</p> <p>Effective date: Federal final adjustments after June 30, 2019.</p>
9	<p>Claims for refund or credits of state tax arising from final federal adjustments made by the Internal Revenue Service. Limits refund claims related to federal adjustments to 3 ½ years from the filing deadline, or one year from the date of an assessment or appeal order, or commissioner filed return.</p> <p>Effective date: retroactively for tax year 2018 or earlier tax periods.</p>	<p>Section 9. Claims for refund or credits resulting from final federal adjustment. Allows claims for refund to be filed on or before the last day for assessments of tax that are related to federal adjustments.</p> <p>Effective date: Federal final adjustments after June 30, 2019.</p>
10	<p>Consent to extend statute. Extends the period of time for the commissioner to recompute tax following a federal extension to: (1) the time periods provided for assessing tax, interest and penalties for timely and untimely filed, and</p>	<p>Section 10. Consent to extend statute. Adds language to current law to automatically extend the statute of limitations upon certain written notice to the commissioner. Strikes current law regarding the commissioner’s authority to adjust tax due.</p>

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Sec.	Article 13: Department of Revenue – Partnership Tax – Policy	Article 10: Partnership Audits
	<p>unreported federal adjustments; or (2) six months following the expiration of the federal extension.</p> <p>Effective date: retroactively for tax year 2018 or earlier tax periods.</p>	<p>Effective date: Federal final adjustments after June 30, 2019.</p>
11	<p>Penalty for failure to notify of federal change. Conforming changes and cross-references added to the changes made by section 7.</p> <p>Effective date: retroactively for tax year 2018 or earlier tax periods.</p>	<p>Section 11. Similar.</p> <p>Effective date: Federal final adjustments after June 30, 2019.</p>
12	<p>Partners, not partnership, subject to tax. Conforming changes and cross-references added to the changes made by section 7.</p> <p>Effective date: retroactively for tax year 2018 or earlier tax periods.</p>	<p>Section 12. Similar.</p> <p>Effective date: Federal final adjustments after June 30, 2019.</p>
13	<p>Time limit for bad debt refund. Conforming changes and cross-references added to the changes made by section 7.</p> <p>Effective date: retroactively for tax year 2018 or earlier tax periods.</p>	<p>Section 13. Similar.</p> <p>Effective date: Federal final adjustments after June 30, 2019.</p>
14	<p>Time limit for bad debt refund. Conforming changes and cross-references added to the changes made by section 7.</p> <p>Effective date: retroactively for tax year 2018 or earlier tax periods.</p>	<p>Section 14. Similar.</p> <p>Effective date: Federal final adjustments after June 30, 2019.</p>
15	<p>Repayment procedures. Conforming changes and cross-references added to the changes made by section 7.</p> <p>Effective date: retroactively for tax year 2018 or earlier tax periods.</p>	<p>Section 15. Similar.</p> <p>Effective date: Federal final adjustments after June 30, 2019.</p>
16	<p>Repealer. Conforming changes and cross-references added to the changes made by section 7.</p> <p>Effective date: retroactively for tax year 2018 or earlier tax periods.</p>	<p>Section 16. Repealed provisions are the same.</p> <p>Effective date: Federal final adjustments after June 30, 2019.</p>

Sec.	Article 14: Department of Revenue – Sales and Use Tax – Technical	Article 13: Department of Revenue; Sales and Use Taxes; Technical Changes
1	<p>Ships used in interstate commerce; other vessels. Clarifies an ambiguity created by the chapter 297A recodification in 2000.</p> <p>Effective the day following final enactment.</p>	<p>Section 1. Same.</p>
2	<p>Qualified data centers. Clarifies that the commissioner of employment and economic development must certify to the commissioner of revenue a qualified data center as such, and must include the date a data center first became qualified.</p> <p>Effective the day following final enactment.</p>	<p>Section 2. Same.</p>
3	<p>Greater Minnesota business expansions. Clarifies that the commissioner of employment and economic development must certify to the commissioner of revenue that a greater Minnesota business is a</p>	<p>Section 3. Same.</p>

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Sec.	Article 14: Department of Revenue – Sales and Use Tax – Technical	Article 13: Department of Revenue; Sales and Use Taxes; Technical Changes
	<p>qualifying business under Minn. Stat. § 116J.8738, and that any purchase made and delivery received was during the duration of the business subsidy agreement.</p> <p>Effective the day following final enactment.</p>	
4	<p>Biopharmaceutical manufacturing facility. Clarifies that the commissioner of employment and economic development must certify to the commissioner of revenue that the biopharmaceutical manufacturing facility is qualified.</p> <p>Effective the day following final enactment.</p>	Section 4. Same.
5	<p>Records must be kept. Adds language that was inadvertently omitted during the chapter 289A recodification in 1990.</p> <p>Effective the day following final enactment.</p>	Section 5. Same.

Sec.	Article 15: Department of Revenue – MinnesotaCare – Technical	Article 15: MinnesotaCare; Technical Changes
1	<p>Emergency medical reasons. Defines the term “emergency medical reasons,” which is necessary to preserve the current tax base for purposes of the wholesale drug distributor tax in chapter 295.</p> <p>Effective the day following final enactment.</p>	Section 1. Same.
2	<p>Gross revenues. Replaces the term “staff model health carrier” with “staff model health plan company” to allow for consistent use of the term “staff model health plan company” throughout chapter 295.</p> <p>Effective the day following final enactment.</p>	Section 2. Same.
3	<p>Health care provider. Clarifies that the definition of health care provider includes an entity, which may otherwise not be a healthcare provider, that employs or contracts with a health care provider to provide, supervise, oversee, or consult regarding patient services.</p> <p>Clarifies that home care providers required to be licensed under chapter 144A are not health care providers as long as the home care services are provided under chapter 144A; and to conform with proposed changes to Minn. Stat. § 295.53 regarding exclusions and exemptions.</p> <p>Effective the day following final enactment.</p>	Section 3. Same.
4	<p>Manufacturer. Defines the term “manufacturer,” which is necessary to preserve the current tax base for purposes of the wholesale drug distributor tax in chapter 295.</p> <p>Effective the day following final enactment.</p>	Section 4. Same.
5	<p>Patient services. Clarifies which community support programs and family community support programs are not included in patient services.</p> <p>Effective the day following final enactment.</p>	Section 5. Same.

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Sec.	Article 15: Department of Revenue – MinnesotaCare – Technical	Article 15: MinnesotaCare; Technical Changes
6	<p>Pharmacy benefits manager. Consolidates this definition with other definitions for readability.</p> <p>Effective the day following final enactment.</p>	Section 6. Same.
7	<p>Third-party purchaser of health care services. Consolidates this definition with other definitions for readability.</p> <p>Effective the day following final enactment.</p>	Section 7. Same.
8	<p>Wholesale drug distributor. Modifies the definition of “wholesale drug distributor,” which is necessary to preserve the current tax base for purposes of the wholesale drug distributor tax in chapter 295.</p> <p>Effective the day following final enactment.</p>	Section 8. Same.
9	<p>Legend drug. Clarifies that the definition of “legend drug” does not include blood and blood components.</p> <p>Effective the day following final enactment.</p>	Section 9. Same.
10	<p>Wholesale drug distribution. Modifies the definition of “wholesale drug distribution,” which is necessary to preserve the current tax base for purposes of the wholesale drug distributor tax in chapter 295.</p> <p>Effective the day following final enactment.</p>	Section 10. Same.
11	<p>Exclusions and exemptions. Clarifies which clauses are exclusions and which clauses are exemptions for ease of tax administration. Clarifies that Federal Tricare sourced funds are exempt, and deletes unnecessary language.</p> <p>Effective the day following final enactment.</p>	Section 11. Same.
12	<p>Exemption for amounts paid for legend drugs. Clarifies an exemption for payments received for services under the federal Medicare Advantage Program.</p> <p>Effective the day following final enactment.</p>	Section 12. Same.
13	<p>Tax expense transfer. Consolidates this definition with other definitions for readability.</p> <p>Effective the day following final enactment.</p>	Section 13. Same.

Sec.	Article 16: Department of Revenue – Property Tax – Policy	Article 16: Department of Revenue; Property Tax; Policy
1	<p>Administration (small cities assistance). Provides that the commissioner of transportation will certify aid amounts for the small cities assistance program to the commissioner of revenue by June 1.</p> <p>Effective for aids payable in 2019 and thereafter.</p>	Section 1. Same.
2	<p>Homestead application. Amends the homestead application requirement by only requiring the Social Security number of the spouse of a property owner when the property owner occupies the property.</p>	Section 2. Same.

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Sec.	Article 16: Department of Revenue – Property Tax – Policy	Article 16: Department of Revenue; Property Tax; Policy
	Effective for applications for homestead filed in 2020 and thereafter.	

Sec.	Article 17: Department of Revenue – Fire State Aid – Technical	Article 18: Fire State Aid; Technical Changes
1	<p>Definitions. Defines various terms for purposes of the recodified fire state aid chapter.</p> <p>Effective for aids payable in 2020 and thereafter.</p>	Section 1. Same.
2	<p>Qualifying for fire state aid. Establishes the criteria for a municipality or an independent nonprofit firefighting corporation to qualify to receive fire state aid.</p> <p>Effective for aids payable in 2020 and thereafter.</p>	Section 2. Same.
3	<p>Calculation of fire state aid; appeal. Specifies how fire state aid is to be calculated and apportioned and describes the appeal process for a municipality, independent nonprofit firefighting corporation, and fire relief association. Allows the voluntary statewide volunteer retirement plan to object to the amount of fire state aid apportioned to it.</p> <p>Effective for aids payable in 2020 and thereafter.</p>	Section 3. Same.
4	<p>Appropriation, payment, and administration. Describes the process for paying fire state aid and appropriates the amount necessary to make the fire state aid payments to the commissioner of revenue from the general fund.</p> <p>Effective for aids payable in 2020 and thereafter.</p>	Section 4. Same.
5	<p>Shortfall from general fund. Provides that any volunteer firefighter relief association funding shortfall is to be paid from the state general fund to the extent there is a legislative appropriation for this purpose.</p> <p>Effective for aids payable in 2020 and thereafter.</p>	Section 5. Same.
6	<p>Purpose. Describes the purpose of the fire state aid and police state aid recodification. Provides that prior provisions are repealed on the effective date of the new provisions.</p> <p>Effective July 1, 2019.</p>	Section 6. Same.
7	<p>Repealer. Repeals the current provisions relating to fire state aid.</p> <p>Effective for aids payable in 2020 and thereafter.</p>	Section 7. Same.

Sec.	Article 18: Department of Revenue – Police State Aid – Technical	Article 19: Police State Aid; Technical Changes
1	<p>Definitions. Defines various terms for purposes of the recodified police state aid chapter.</p> <p>Effective for aids payable in 2020 and thereafter.</p>	Section 1. Same.
2	<p>Qualifying for police state aid. Establishes the criteria for a municipality to qualify to receive police state aid.</p>	Section 2. Same.

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Sec.	Article 18: Department of Revenue – Police State Aid – Technical	Article 19: Police State Aid; Technical Changes
	Effective for aids payable in 2020 and thereafter.	
3	Calculation of police state aid; appeal. Specifies how police state aid is to be calculated and apportioned, and describes the appeal process for a municipality to object to the amount of police state aid apportioned to it. Effective for aids payable in 2020 and thereafter.	Section 3. Same.
4	Appropriation, payment, and administration. Describes the process of paying police state aid and appropriates the amount necessary to make the police state aid payments to the commissioner of revenue from the general fund. Effective for aids payable in 2020 and thereafter.	Section 4. Same.

Sec.	Article 19: Department of Revenue – Fire and Police State Aid – Miscellaneous Technical Changes	Article 20: Fire and Police State Aid; Miscellaneous Technical Changes
1	Fire and police premium reports. Establishes the filing requirements for the Minnesota Fire Premium Report and the Minnesota Aid to Police Premium Report. Penalties apply if a company fails to file the required report by the due date, if a person whose duty it is to file the report does not file the report within 30 days after notification by the commissioner of revenue that the report is late, and if a company knowingly makes and files an inaccurate or false report. Effective for reports filed after December 31, 2019.	Section 1. Same.
2	Financial report; bond; examination. Establishes financial reporting requirements to the state auditor for volunteer firefighters’ relief associations and each municipality with an organized fire department that does not have a relief association. Effective July 1, 2019.	Section 2. Same.
3	Authorized administrative expenses from special fund. Provides that payment of certain necessary, reasonable, and direct expenses of maintaining, protecting, and administering the special fund constitutes authorized administrative expenses of a volunteer firefighters’ relief association. Effective July 1, 2019.	Section 3. Same.
4	Repealer. Repeals the current provisions relating to fire state aid and police state aid, effective for reports filed after December 31, 2019. The language of these provisions is recodified into the new sections described above, effective July 1, 2019.	Section 4. Same.

Sec.	Article 20: Department of Revenue – Fire and Police State Aid – Conforming Changes – Technical	Article 21: Fire and Police State Aid; Conforming Changes
1 - 28	Report to commissioner of revenue. Amends various statutes to update cross-references to the new sections created pursuant to the chapter 69 recodification.	Sections 1-28. Same.

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Sec.	Article 20: Department of Revenue – Fire and Police State Aid – Conforming Changes – Technical	Article 21: Fire and Police State Aid; Conforming Changes
29	<p>Repealer. Repeals the volunteer retention stipend aid pilot program for aid payable after calendar year 2017.</p> <p>Effective the day following final enactment.</p>	Section 29. Same.

Sec.	Article 21: Department of Revenue – Miscellaneous – Policy	Article 22: Department of Revenue; Miscellaneous; Policy Changes
1	<p>Revocation or cancellation. Expands the commissioner’s authority to disclose data identifying the holder of a sales tax permit that has been canceled.</p> <p>Effective the day following final enactment.</p>	Section 1. Same.
2	<p>Permits issued and not issued; cancellations. Prohibits the issuance of a new sales tax permit to a business or person that has an unpaid sales tax liability not under appeal.</p> <p>Effective for permit applications filed after December 31, 2019.</p>	Section 2. Same.
3	<p>Cancellations of permits. Provides for cancellation with notice of sales tax permits of a business or person that has an unpaid sales tax liability.</p> <p>Effective for permit applications filed after December 31, 2019.</p>	Section 3. Same.
4	<p>Authorization. Requires the local lodging tax to be imposed on the total consideration paid, including amounts paid for ancillary and related services, such as those provided by accommodations intermediaries.</p> <p>Effective date: Sales and purchases made after June 30, 2019. States that the legislature does not intend to create a presumption regarding whether services provided by accommodations intermediaries prior to enactment of this section were included in the definition of lodging.</p>	No comparable.
5	<p>Collection. Allows a local government imposing a lodging tax to allow an accommodations intermediary to remit the tax annually.</p> <p>Effective the day after final enactment.</p>	No comparable.
6	<p>Repealer. Repeals statute requiring a report to Explore Minnesota Tourism that will be developed through an inter-agency agreement and is no longer required to be referenced in statute.</p> <p>Effective the day following final enactment.</p>	Section 4. Same.

Sec.	Article 22: Department of Revenue – Miscellaneous – Technical	Article 23: Department of Revenue; Miscellaneous; Technical Changes
1 - 5, 10, 12-13,	<p>Persons who are blind or have a disability. Updates language for persons who are blind or have a disability.</p> <p>Effective the day following final enactment.</p>	Sections 1-5, 10, 12-13, 18-27. Same.

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Sec.	Article 22: Department of Revenue – Miscellaneous – Technical	Article 23: Department of Revenue; Miscellaneous; Technical Changes
18-27		
6 – 9, 11, 14 – 17, 27 - 28	<p>Married spouses. Updates gender-specific language for spouses.</p> <p>Effective the day following final enactment.</p>	<p>Sections 6-9, 11, 14-17, 27-28. Same.</p>
29	<p>Within taconite assistance area. Removes reference to the July 15 net proceeds tax distribution date and adds related conforming language to ensure the distributions are administrable.</p> <p>Effective the day following final enactment.</p>	<p>Section 29. Same.</p>
30	<p>Distribution date. Adds a subdivision to change the net proceeds tax distribution date from July 15 to December 15 to ensure the distributions are administrable.</p> <p>Effective the day following final enactment.</p>	<p>Section 30. Same.</p>
31	<p>Distribution of taconite municipal aid account. Adds a subdivision to change the net proceeds tax distribution date from July 15 to December 15 to ensure the distributions are administrable.</p> <p>Effective the day following final enactment.</p>	<p>Section 31. Same.</p>
32	<p>Tax court written orders. Updates the effective date for the change enacted regarding the period of time to file post-trial motions. After June 30, 2019, all cases will have 30 days to file post-trial motions.</p> <p>Effective the day following final enactment.</p>	<p>Section 32. Same.</p>