

Bill Comparison Summary of House File 991, Second Engrossment/House File 991, First Unofficial Engrossment

Prepared by:
House Research and Senate Counsel, Research and Fiscal Analysis

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Sec.	Article 1: Federal Conformity	Article 1: Federal Update
	Article 2, section 7.	Section 1. Same.
1	Internal Revenue Code. Updates chapter 289A for federal changes through December 31, 2020. Effective date: When effective for federal purposes.	No comparable provision.
2	Net income. Updates the definition of “net income” in chapter 290 for federal changes through December 31, 2020. Effective date: When effective for federal purposes.	No comparable provision.
3	Internal Revenue Code. Updates the definition of “Internal Revenue Code” (IRC) for federal changes through December 31, 2020. Effective date: When effective for federal purposes.	No comparable provision.
4	Charitable contributions. Limits the Minnesota charitable contribution deduction to 60 percent of the taxpayer’s contribution base (which is adjusted gross income for most taxpayers). Effective date: Tax year 2020 and later.	No comparable provision.
5	Business interest. Requires an addition for the excess of business interest deducted under the updated IRC date in this article (the 2020 IRC) over the amount allowed to be deducted under the IRC as of December 2018 (the 2018 IRC). The excess amount is allowed as a delayed business interest subtraction under section 8. Effective date: Tax years 2019 and 2020.	No comparable provision.
6	Excess business losses. Requires an addition for excess business losses allowed to be deducted under the 2020 IRC. Effective date: Tax years 2018 through 2020.	No comparable provision.
7	Net operating loss. Requires an addition for the excess of net operating losses deducted under the 2020 IRC over the amount allowed to be deducted under the 2018 IRC. The excess amount is allowed as a delayed net operating loss subtraction under section 9.	No comparable provision.
8	Delayed business interest. Allows a subtraction for delayed business interest added back under section 5. The amount of the subtraction plus current year business interest may not exceed the federal limits for this deduction.	No comparable provision.
9	Delayed net operating loss. Allows a subtraction for delayed net operating losses added back under section 7. The amount of the subtraction plus current year net operating losses may not exceed the federal limits for this deduction. Effective date: 2019 and thereafter.	No comparable provision.
10	Business interest. Creates an addition for corporate business interest in the same manner as for individuals in section 5. Effective date: Tax years 2019 and 2020.	No comparable provision.

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Sec.	Article 1: Federal Conformity	Article 1: Federal Update
11	<p>Delayed business interest. Creates a corporate delayed business interest subtraction in the same manner as for individuals in section 8.</p> <p>Effective date: Tax years 2020 and thereafter.</p>	<p>No comparable provision.</p>
	<p>Article 2, section 20.</p>	<p>Section 3. Same.</p>
	<p>Article 2, section 22.</p>	<p>Section 4. Same.</p>
	<p>Article 2, section 37.</p>	<p>Section 5. Same.</p>
	<p>Article 2, section 38.</p>	<p>Section 6. Same.</p>
12	<p>Special limited adjustment. Clarifies that the changes in the bill are to be calculated after the “special limited adjustment for tax year 2018” enacted in the 2019 omnibus tax bill. This has the effect of retroactively changing taxpayers’ liability in tax year 2018 for provisions adopted under the bill.</p>	<p>No comparable provision.</p>
13	<p>Internal Revenue Code. Updates the definition of “Internal Revenue Code” for federal changes through December 31, 2020, for the property tax refund.</p> <p>Effective date: Refunds payable in 2022.</p>	<p>No comparable provision.</p>
14	<p>Scope. Updates the definition of “Internal Revenue Code” for federal changes through December 31, 2020, for the estate tax.</p> <p>Effective date: When effective for federal purposes.</p>	<p>No comparable provision.</p>
	<p>Article 2, section 41.</p>	<p>Section 7. Same.</p>
15	<p>Temporary nonconformity additions and subtractions.</p> <p>Subd. 1. Definitions. Defines “addition” and “subtraction,” and applies the rules for subtractions from sections 290.0131, 290.0132, 290.0133, and 290.0134 to the uncodified section in the bill.</p> <p>Subds. 2 and 3. Temporary subtraction; federal credits for sick and family leave. Provides a subtraction for amounts included in gross income as a result of federal payroll credit for paid sick leave and payroll credit for paid family leave.</p> <p>Effective for the same taxable years as the federal credits.</p> <p>Subds. 4 and 5. Temporary subtraction wages used to claim Employee Retention Credit. Provides a subtraction for wages used to claim the federal Employee Retention Credit. The federal credit disallows a deduction for wages used to claim the credit.</p> <p>Effective for the same taxable years as the federal credit.</p> <p>Subd. 6. Temporary addition; business meals; individuals, estates, and trusts. Requires an addition for 50 percent of the amount of business costs allowed to be deducted under the IRC.</p> <p>Effective date: Tax years 2021 and 2022.</p>	<p>Section 8. Clarification of net operating loss (NOL) treatment. Clarifies that although section 9 conforms to federal treatment of PPP loans and to the deductions of expenses paid with forgiven PPP loans through the date of the Consolidated Appropriations Act (CAA), 2021, it does not conform to the CARES Act and CAA modifications to treatment of NOLs. Effective for the same date the changes were effective for federal purposes.</p> <p>Section 9. Exclusion from gross income for certain forgiven PPP loans and educator expenses. Different.</p> <p>Subd. 1. Scope. Applies the section for purposes of the definitions of net income, income, alternative minimum taxable income for both individuals and corporations, and the property tax refund.</p> <p>Subd. 2. Adopting federal changes related to the paycheck protection program and certain educator expenses. Updates the date reference to the Internal Revenue Code to conform to the federal treatment of PPP loan forgiveness from gross income and allows the deduction of business expenses paid with forgiven PPP loans in the CARES Act, CAA, and three other federal laws modifying the PPP loan program enacted between the CARES Act and the CAA. Effective for the same date the changes were effective for federal purposes. Conforms to the CAA provision allowing</p>

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Sec.	Article 1: Federal Conformity	Article 1: Federal Update
	<p>Subd. 7. Temporary addition; business meals; C corporations. Requires an addition for 50 percent of the costs of business meals allowed to be deducted under the IRC.</p> <p>Effective date: Tax years 2021 and 2022.</p> <p>Subds. 8 and 9. Temporary addition; PPP expenses. Requires an addition for expenses in excess of \$350,000 that were used to qualify for a forgiven Paycheck Protection Program (PPP) loan. The \$350,000 limit would apply to each loan, meaning a business that received multiple PPP loans would be allowed a deduction for \$350,000 in expenses associated with each loan.</p> <p>Effective date: For tax years in which businesses had deductions for PPP expenses.</p> <p>Subd. 10. Nonresident apportionment; alternative minimum tax. Directs the Department of Revenue (DOR) to adjust a taxpayer’s residency percentage and alternative minimum tax to account for the temporary additions and subtractions in the article.</p>	<p>the \$250 educator expense deduction to include purchases of PPE.</p> <p>Effective for tax years 2020 and 2021.</p> <p>Subd. 3. No denial of deduction. Notwithstanding a provision in current law that disallows deductions already included in the calculation of income at the federal level or under other sections of the income tax chapter. This allows the additional deductions under the CAA to be claimed.</p> <p>Effective for the same date the changes were effective for federal purposes.</p>
16	<p>Working family credit; special earned income rules for tax year 2020. Allows taxpayers to claim the working family credit in tax year 2020 using the taxpayer’s 2019 earned income.</p> <p>Effective date: Tax year 2020.</p>	<p>No comparable provision.</p>
17	<p>Temporary individual income tax subtraction; unemployment insurance benefits. Allows taxpayers with AGI of less than \$150,000 a subtraction for up to \$10,200 of unemployment insurance benefits received in tax year. For married couples filing joint returns, the subtraction is for \$10,200 of unemployment compensation received by each spouse. This provision matches the exclusion from gross income in the American Rescue Plan Act (Public Law 117-2).</p> <p>Effective for tax year 2020.</p>	<p>Section 2. Certain unemployment compensation payments. Allows a subtraction of 18 percent of the amount of Pandemic Unemployment Compensation (i.e., \$600 payments) received in 2020. The subtraction is reduced by \$1 for every \$4 of adjusted gross income over \$150,000 for surviving spouses or married joint filers; \$112,500 for head of household filers; and \$75,000 for all other filers.</p> <p>Effective for tax year 2020.</p>

Sec.	Article 2: Individual Income and Corporate Franchise Taxes	Article 2: Income and Corporate Franchise Taxes
1	<p>Tax credit for owners of agricultural assets. Allows sales of agricultural assets to family members (or spouses of family members) that are beginning farmers to qualify for the beginning farmer agricultural asset credit.</p> <p>In the case of sales of agricultural assets sold to a family member, to qualify for the credit the sale price must equal or exceed the assessed market value of the asset. If there is no assessed value of the asset, the sale price must equal or exceed 80 percent of the fair market value of the asset.</p> <p>Increases the credit percentage to ten percent for a “socially disadvantaged farmer or rancher.”</p>	<p>No comparable provision.</p>
2	<p>Authority duties. Reduces the amount of credit allocations available per year by five percent, and appropriates the same amount to the Rural Finance</p>	<p>No comparable provision.</p>

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Sec.	Article 2: Individual Income and Corporate Franchise Taxes	Article 2: Income and Corporate Franchise Taxes
	<p>Authority to develop an online application system and administer the credit. The reduction first applies to tax year 2021.</p> <p>The allocations for tax years 2021-2023 are \$6 million per taxable year, meaning the appropriation would be \$300,000 per year in fiscal years 2022-2024.</p>	
3	<p>Credit allowed; angel credit. Allows \$10 million to be allocated for the small business investment credit (i.e. “angel credit”) for tax year 2022.</p> <p>Effective date: Day following final enactment.</p>	<p>Article 2, section 1. Similar. Allows the \$10 million allocation for tax year 2022. Technical difference in drafting. Senate updates application requirements in paragraph (d).</p> <p>Effective for tax year 2022, which has the same result as House effective date.</p>
4	<p>Sunset; angel credit. Extends the sunset date for the angel credit by one year.</p> <p>Effective date: Day following final enactment.</p>	<p>Article 2, section 2. Similar. Senate effective date is for tax year 2022, which has the same result as the House effective date.</p>
5	<p>Film production credit. Establishes a nonrefundable tax credit equal to 25 percent of eligible film production costs in Minnesota.</p> <p>Subd. 1. Definitions. Defines “allocation certificate,” “application,” “commissioner,” “credit certificate,” “eligible production costs,” “film,” “project,” and “promotion of Minnesota” for purposes of establishing the credit.</p> <p>Subd. 2. Credit allowed. Allows an income and corporate franchise tax credit equal to 25 percent of “eligible production costs.” A taxpayer may only claim a credit if a credit certificate is issued.</p> <p>Subd. 3. Credit assignable. Allows a taxpayer to sell or assign the credit in whole or in part. The sale or assignment must be for 75 percent of the credit amount. The assignee must notify DEED within 30 days of the assignment. Only the unused amount of a credit carryover may be assigned.</p> <p>Subd. 4. Application; allocations. Requires taxpayers to apply to DEED prior to claiming the credit. Requires DEED to issue allocation certificates that verify eligibility for the credit, state the amount of credit anticipated, and state the taxable year in which the credit is allocated. Limits credit amounts to \$10 million per taxable year. No credits may be allocated after 2024.</p> <p>Requires that credits be allocated on a first-come, first-served basis.</p> <p>Requires an independent audit report detailing production costs to be submitted to DEED once the project is completed and the final credit amount must be based on the verified costs.</p> <p>Permits DOR to use its audit and examination powers to verify the taxpayer is eligible for the credit.</p> <p>Subd. 5. Report required. Requires DEED to submit a report on the credit to the tax and economic development committees of the legislature by March 15, 2024. The report must</p>	<p>No comparable provision.</p>

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Sec.	Article 2: Individual Income and Corporate Franchise Taxes	Article 2: Income and Corporate Franchise Taxes
	<p>detail the amount of credits claimed in each taxable year, the number of applications received and approved, the types of projects eligible for the credit, the total economic impact of the credit including jobs, and any other information DEED deems necessary.</p> <p>Subd. 6. Expiration. Sunsets the credit after 2024. Effective date: Tax years 2021 through 2024.</p>	
6	<p>Composite income tax returns for nonresident partners, shareholders, and beneficiaries. Conforming changes made to the composite return statute due to the changes in sections 11 (previously taxed deferred foreign income) and 12 (domestic production activities deduction).</p> <p>Effective date: Based on effective dates of underlying provisions.</p>	<p>No comparable provision.</p>
7	<p>Pass-through entity tax. Establishes a fully refundable pass-through entity tax that allows electing pass-through businesses to pay state income tax at the entity level and deduct this tax for federal income tax purposes. Under federal law, taxes on pass-through income are subject to the SALT cap of \$10,000.</p> <p>Paragraph (a) establishes definitions for “income,” “qualifying entity,” and “qualifying owner” for purposes of the pass-through entity (PTE) tax.</p> <p>Paragraph (b) allows a qualifying entity to file and pay the PTE tax if the owners holding more than a 50 percent ownership in the entity elect to do so.</p> <p>Paragraph (c) imposes the PTE tax on a qualifying entity. The amount of tax is equal to the amount of tax liability of each owner.</p> <p>Paragraph (d) requires the tax liability of each owner to be calculated by applying the rates and brackets for married filing separate filers, estates, and trusts under the individual income tax to each owner’s share of the qualifying entity’s income. As is the case for the composite return filing rules, no nonbusiness deductions would be allowed. In addition, only those deductions and credits allowed to an individual owner are allowed in calculating the owner’s tax liability.</p> <p>Paragraph (e) requires that the same deductions used to calculate an owner’s tax liability for the PTE tax must also be used to calculate the owner’s liability under the individual income tax.</p> <p>Paragraph (f) imposes the estimated tax requirements on owners paying the PTE tax, in the same manner as required for composite return filers.</p> <p>Paragraph (g) clarifies that an owner’s adjusted basis in the partnership is determined as if the election to pay the PTE tax was not made.</p> <p>Paragraph (h) treats a PTE return and a qualifying entity like a composite return and composite filer for administrative purposes.</p>	<p>Article 1, section 1. Same, house side paragraph (f) includes the use of the word “however” that is not in the Senate language.</p>

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	<p>Paragraph (i) allows the commissioner of revenue to prescribe the content, format, and manner of PTE returns and other documents.</p> <p>Paragraph (j) allows PTE filers to also pay the composite tax.</p> <p>Paragraph (k) allows the PTE tax to satisfy the tax liability for nonresidents, in the manner allowed for nonresidents electing composite return filing.</p> <p>Effective date: Tax year 2021 and thereafter.</p>	
8	<p>Information included in income tax return. Allows taxpayers claiming the working family credit using an individual taxpayer identification number (ITIN) to include the ITIN in place of a Social Security number.</p> <p>Effective date: Tax year 2021 and thereafter.</p>	<p>No comparable provision.</p>
9	<p>Resident trust. Modifies the resident trust definition to trigger resident status if sufficient relevant connections to Minnesota exist based on a nonexclusive seven-factor list. These changes are intended to conform the state’s resident trust definition to the constitutional requirements established in the Fielding and Kaestner cases.</p> <p>Effective date: Tax year 2021 and thereafter.</p>	<p>No comparable provision.</p>
10	<p>Losses. Clarifies the state itemized deduction for losses to allow losses on transactions entered into for profit, but not associated with a trade or business, are deductible as an itemized deduction.</p> <p>Effective retroactively for tax year 2019 and thereafter.</p>	<p>No comparable provision.</p>
11	<p>Previously taxed deferred foreign income. Requires an addition for repatriated income that is first taxed federally as GILTI or deemed repatriation income. Minnesota allows a subtraction for this initial manner of taxing this income.</p> <p>Effective date: Tax year 2021 and thereafter.</p>	<p>No comparable provision.</p>
12	<p>Income attributable to domestic production activities of cooperatives. Requires an addition for the federal domestic production activities deductions for certain agricultural and horticultural cooperatives.</p> <p>Effective date: Tax year 2021 and thereafter.</p>	<p>No comparable provision.</p>
13	<p>Deferred foreign income. Makes a clarifying change to the subtraction for deemed repatriation income.</p> <p>Effective date: When effective for federal purposes.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p>Section 3. Education expenses. Increases the subtraction amounts for K-12 expenses for inflation for tax year 2021 and requires the amounts to be adjusted annually for inflation going forward.</p> <p>Effective beginning in tax year 2021.</p>
	<p>No comparable provision.</p>	<p>Section 4. Volunteer driver reimbursement. Provides a subtraction for the amount of mileage reimbursements paid by a charitable organization to</p>

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		<p>a volunteer driver. The reimbursement rate for charitable organizations is 14 cents per mile, and the reimbursement rate for businesses is 56 cents per mile. For volunteer drivers, reimbursements above the volunteer driver rate are included in taxable income. The subtraction equals reimbursements received in excess of 14 cents per mile up to the limit for business mileage.</p> <p>Effective beginning in tax year 2021.</p>
	<p>No comparable provision.</p>	<p>Section 5. Education savings accounts. Provides a subtraction from federal adjusted gross income for the amount deposited in an education savings account in a taxable year for each of the taxpayer’s dependents, provided that education savings accounts are established in a bill styled as the Senate’s 2021 regular session omnibus education bill.</p> <p>Effective beginning in tax year 2021, upon enactment 2021 regular session of a bill styled as House File 1065, first unofficial engrossment, article 2, section 36.</p>
<p>14</p>	<p>Special deductions. Makes a clarifying change related to the treatment of deemed repatriation income.</p> <p>Effective date: When effective for federal purposes.</p>	<p>No comparable provision.</p>
<p>15</p>	<p>Previously taxed deferred foreign income. For corporations, requires an addition for repatriated income that is first taxed federally as GILTI or deemed repatriation income. Minnesota allows a subtraction for this initial manner of taxing this income.</p> <p>Effective date: Tax year 2021 and thereafter.</p>	<p>No comparable provision.</p>
<p>16</p>	<p>Income attributable to domestic production activities of cooperatives. For corporations, requires an addition for the federal domestic production activities deductions for certain agricultural and horticultural cooperatives.</p> <p>Effective date: Tax year 2021 and thereafter.</p>	<p>No comparable provision.</p>
<p>17</p>	<p>Deferred foreign income. For corporations, makes a clarifying change related to the treatment of deemed repatriation income.</p> <p>Effective date: When effective for federal purposes.</p>	<p>No comparable provision.</p>
<p>18</p>	<p>Schedules of rates for individuals, estates, and trusts. Establishes a fifth tier for Minnesota’s individual income tax at 11.15 percent. The rate would apply to Minnesota taxable income in excess of:</p> <ul style="list-style-type: none"> • \$1,000,000 for married taxpayers filing joint returns and surviving spouses; • \$500,000 for single taxpayers and married taxpayers filing separate returns; and • \$750,000 for head of household taxpayers. 	<p>No comparable provision.</p>

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Sec.	Article 2: Individual Income and Corporate Franchise Taxes	Article 2: Income and Corporate Franchise Taxes												
	<p>Adjusts the nonresident apportionment rules to account for additions and subtractions established in the bill.</p> <p>Effective date: Tax years in 2021 and thereafter.</p>													
19	<p>Inflation adjustment of brackets. Changes the statutory year for Minnesota’s individual income tax bracket inflation adjustment to be tax year 2021.</p> <p>Effective date: Tax years in 2022 and thereafter.</p>	<p>No comparable provision.</p>												
20	<p>Credit for taxes paid to another state. Clarifies that the state’s credit for taxes paid to other states by partnerships at the entity level also applies to LLCs and their members.</p> <p>Effective date: Tax year 2021 and thereafter.</p>	<p>Article 1, section 3. Same.</p>												
21	<p>Film production credit. Allows a tax credit for the film credit certified in section 5. Unused credits may be carried over for five years. Allows the Department of Revenue to audit the credit.</p> <p>Effective date: Tax years 2021 through 2024.</p>	<p>No comparable provision.</p>												
22	<p>Pass-through entity tax credit. Allows a refundable credit in the amount of a partner’s tax liability as determined for the calculation of the pass-through entity tax.</p> <p>Effective date: Tax year 2021 and thereafter.</p>	<p>Article 1, section 4. Same.</p>												
23	<p>Working family credit changes. Allows taxpayers to claim the working family credit using an individual taxpayer identification number if they are currently ineligible due to the lack of a Social Security number.</p> <p>For taxpayers without children, increases the working family credit rate and earned income eligible for the credit.</p> <table border="1" data-bbox="181 1650 750 1946"> <thead> <tr> <th></th> <th>Current law</th> <th>Bill</th> </tr> </thead> <tbody> <tr> <td>Credit rate</td> <td>3.9%</td> <td>5.0%</td> </tr> <tr> <td>Earned income eligible for credit</td> <td>\$7,340</td> <td>\$8,000</td> </tr> <tr> <td>Maximum credit</td> <td>\$286</td> <td>\$400</td> </tr> </tbody> </table> <p>Effective for TY 21 and later.</p>		Current law	Bill	Credit rate	3.9%	5.0%	Earned income eligible for credit	\$7,340	\$8,000	Maximum credit	\$286	\$400	<p>No comparable provision.</p>
	Current law	Bill												
Credit rate	3.9%	5.0%												
Earned income eligible for credit	\$7,340	\$8,000												
Maximum credit	\$286	\$400												
24	<p>Definitions. Updates the definition of “qualifying child” for the credit to include qualifying children who do not qualify because they do not have a Social Security number.</p> <p>Effective date: Tax years in 2021 and thereafter.</p>	<p>No comparable provision.</p>												
25	<p>Inflation adjustment. Changes the statutory year for the working family credit inflation adjustment to tax year 2021.</p>	<p>No comparable provision.</p>												
26	<p>Income. Makes a conforming change to the education credit in response to the domestic production activities deduction addition in section 12.</p>													

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Sec.	Article 2: Individual Income and Corporate Franchise Taxes	Article 2: Income and Corporate Franchise Taxes
	Effective date: Tax years in 2021 and thereafter.	
	No comparable provision.	<p>Section 6. Limitations. Increases the income phaseout threshold and the credit amounts for the K-12 credit for inflation for tax year 2021 and requires the amounts to be adjusted annually for inflation going forward.</p> <p>Effective beginning in tax year 2021.</p>
	No comparable provision.	<p>Section 7. Applications; allocations. Provides that the current section of law pertaining to applications and allocations for the historic structure rehabilitation credit applies to applications received before July 1, 2021. The credit is scheduled to sunset after fiscal year 2021 and is extended for one year in a later section.</p> <p>Effective the day following final enactment and applies to applications received before July 1, 2021.</p>
	No comparable provision.	<p>Section 8. Certain allocations on pro rata basis. Provides rules for historic structure rehabilitation credit and grant applications received after June 30, 2021, and before July 1, 2022. Requires the State Historic Preservation Office (SHPO) to verify eligibility for a credit or grant and notify applicants of eligibility. Once all applications are received and eligibility verified, SHPO must calculate the total amount of credits or grants and allocate them on a pro rata basis. Allocates \$14 million for credits and grants. Certain current law provisions apply to credits and grants issued under this section.</p> <p>Effective the day following final enactment and applies to applications received after June 30, 2021, and before July 1, 2022.</p>
	No comparable provision.	<p>Section 9. Credit certificates; grants. Specifies that the current law providing that historic structure preservation credits and grants equal the federal credit and grant amounts do not apply to credits and grants issued under section 7.</p> <p>Effective the day following final enactment and applies to applications received after June 30, 2021, and before July 1, 2022.</p>
27	<p>Sunset. Extends the sunset date on the historic structure credit for eight years.</p> <p>Effective date: Day following final enactment.</p>	<p>Section 10. Different.</p> <p>Extends the sunset for the historic structure preservation credit program by one year.</p> <p>Effective the day following final enactment.</p>
	No comparable provision.	<p>Section 11. Minnesota housing tax credit.</p> <p>Subd. 1. Definitions. Defines the following terms:</p> <p>Agency means the Minnesota Housing Finance Agency (MHFA).</p> <p>Minnesota housing tax credit contribution fund means the fund established in a later section.</p> <p>Qualified project means a project qualifying for a loan or grant under a later section.</p>

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Sec.	Article 2: Individual Income and Corporate Franchise Taxes	Article 2: Income and Corporate Franchise Taxes
		<p>Taxpayer means an individual or corporation subject to the individual income tax, corporate franchise tax, or insurance premiums tax.</p> <p>Subd. 2. Credit allowed. Allows taxpayers to claim a credit for contributions of at least \$100 and up to \$2 million for contributions to the housing tax credit contribution fund. The credit equals 90 percent of the amount contributed in the taxable year. The credit is not refundable but may be carried forward for up to ten years. Excludes the contribution used to claim the credit from being used to claim any other subtraction or credit allowed under other sections of law. Requires the credit to be allocated according to provisions of current law for nonresidents and part-year residents.</p> <p>Subd. 3. Allocation. Allocates \$10 million annually for the credit. Allows contributions to be designated for a specific project, but prohibits designations disallowed in a later section. Requires the MHFA to file a credit certificate statement with the taxpayer and send a copy to the commissioner of revenue. If there are insufficient amounts to match the contribution, the MHFA must return the contribution to the taxpayer.</p> <p>Subd. 4. Partnerships; multiple owners. Requires distribution of the credit to partners, members, shareholders, or multiple owners of property on a pro rata basis according to their share of the entity’s assets or as required in organizational documents valid as of the last day of the taxable year.</p> <p>Subd. 5. Recapture. Provides that credits claimed are not subject to recapture but that if grants or loans are canceled or recaptured, the grant or loan is returned to the housing tax credit contribution fund.</p> <p>Subd. 6. Audit powers. Provides that the commissioner of revenue’s audit and examination powers apply to credits claimed under this legislation.</p> <p>Effective for tax years 2023 and 2024.</p>
	<p>No comparable provision.</p>	<p>Section 12. Credit for ethanol retailers.</p> <p>Subd. 1. Definitions. Defines terms applicable to the credit:</p> <p>Dealer means a person engaged in the business of buying and selling gasoline and other petroleum products in Minnesota.</p> <p>Higher ethanol blend means gasoline blended with ethanol that contains at least 15 percent, but not more than 85 percent, of ethanol.</p> <p>Subd. 2. Credit allowed. Allows a nonrefundable tax credit equal to five cents per gallon of higher ethanol blend that the dealer sells and dispenses through metered pumps at the dealer’s service station.</p> <p>Subd. 3. Pass-through entities. Requires credits granted or transferred to a pass-through entity to be passed through to partners, members, shareholders,</p>

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Sec.	Article 2: Individual Income and Corporate Franchise Taxes	Article 2: Income and Corporate Franchise Taxes
		<p>or owners on a pro rata basis according to their share of the entity’s assets, or as otherwise provided in an organizational document.</p> <p>Subd. 4. Sunset. Provides that the credit expires after tax year 2030.</p> <p>Effective beginning in tax year 2021.</p>
	<p>No comparable provision.</p>	<p>Section 13. Minnesota housing tax credit contribution fund.</p> <p>Subd. 1. Fund created. Establishes the fund and appropriates amounts contributed to make grants or loans to eligible recipients.</p> <p>Subd. 2. Use of funds; grant and loan program. Permits the commissioner to award grants or loans for multifamily and single family developments for persons and families with low- to moderate-incomes. Specifies the uses of loan and grant funds. Permits the commissioner to give preference to grants and loans to proposals that include waivers or regulatory changes that result in identifiable cost avoidance or cost reduction. Sets aside ten percent of grants and loans for townships and cities outside the metropolitan area with a population of less than 2,500. Sets aside 35 percent of the financing for housing projects for persons and families at or below 50 percent of the area median income, and a separate 15 percent for housing projects for families at or below 30 percent of the area median income. After June 1, any remaining financing available after these set-asides may be awarded to any project.</p> <p>Subd. 3. Eligible recipients; definitions; restrictions; use of funds. Specifies disqualified individuals and businesses, prohibits grants to disqualified individuals and businesses, and requires grant or loan recipients to disclose that the disqualifications do not apply. Permits the commissioner to make loans and grants to specified entities, subject to the rules for disqualified individuals and disqualified businesses. Except for the initial set-asides in subdivision 2, funds must be used for projects that serve households who meet the income limits established for the economic development and housing challenge program. To qualify, a homeownership project must serve households whose incomes were below 115 percent of the greater state or area median income. A rental project must serve households with incomes below 80 percent of the state or area median income.</p> <p>Subd. 4. Recapture. Provides that loans or grants made through the program are subject to repayment or recapture. Recaptured funds are redeposited in the fund and not returned to taxpayers who made contributions to the fund.</p> <p>Subd. 5. Report. Requires a report to the legislative committees having jurisdiction over housing regarding the credits, grants, and loans issued by region.</p>

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Sec.	Article 2: Individual Income and Corporate Franchise Taxes	Article 2: Income and Corporate Franchise Taxes
		Effective for tax years 2023 and 2024.
	No comparable provision.	<p>Section 14. Temporary tax credit for certain brewers, liquor retailers, and wholesalers.</p> <p>Subd. 1. Definitions. Defines terms used in the credit.</p> <p>Closure or limited capacity means closed to ingress, egress, use, and occupancy under Executive Order 20-04 and subsequent orders, and subject to operations and capacity limitations under Executive Order 20-74 and subsequent orders.</p> <p>Liquor spoilage means:</p> <ul style="list-style-type: none"> • for a qualified brewer, the dollar amount of product purchased back from a liquor wholesaler or liquor retailer and the dollar amount of any product disposed of as unsalable, due to closure or limited capacity; • for a qualified retailer, the dollar amount of product returned without reimbursement to a liquor wholesaler or manufacturer and the dollar amount of any product disposed of as unsalable, due to closure or limited capacity; • for a qualified wholesaler, the dollar amount of product purchased back from a liquor retailer, the dollar amount of product returned without reimbursement to a manufacturer and the dollar amount of any product disposed of as unsalable, due to closure or limited capacity. <p>Qualified brewer, qualified retailer, and qualified wholesaler have the meanings given in chapter 340A (Liquor).</p> <p>Subd. 2. Credit allowed. Allows a credit equal to the amount of liquor spoilage in a taxable year. Requires that the amount used to claim the credit may not be used to claim any other credit or subtraction in the income and corporate franchise tax chapter, and that the credit must be claimed in a manner prescribed by the commissioner of revenue.</p> <p>Subd. 3. Partnerships; multiple owners. Provides that credits allowed to a pass-through entity must be passed through to partners, members, shareholders, or owners on a pro rata basis according to their share of the entity’s assets or as otherwise provided in an organizational document.</p> <p>Subd. 4. Credit refundable; appropriation; administration. Provides that the credit is refundable and appropriates an amount sufficient to issue refunds. Provides that the tax administration provisions under current law apply to the credit.</p> <p>Effective for tax years 2020 and 2021.</p>
28	<p>Student loan credit.</p> <p>Subd. 1. Definitions. Amends the definition of “earned income” for the purposes of the student</p>	No comparable provision.

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Sec.	Article 2: Individual Income and Corporate Franchise Taxes	Article 2: Income and Corporate Franchise Taxes
	<p>loan credit to reference the definition of “earned income” in the marriage penalty credit.</p> <p>Subd. 2. 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>Subd. 3. Credit refundable; appropriation. Makes the credit refundable, meaning a taxpayer who is eligible for a credit in excess of the taxpayer’s liability would receive the excess amount as a refund.</p> <p>Effective date: Tax years in 2021 and thereafter.</p>	
29	<p>Credit allowed; parents of stillborn children. Modifies the credit for parents of stillborn children to provide that it is allowed to an “eligible individual”(defined in section 2) and to eliminate the test that allows the credit based on who would have qualified to claim the stillborn child as a tax dependent. In addition, apportionment of the credit for nonresidents is eliminated. A nonresident who is an eligible individual (e.g., the nonresident spouse of a Minnesota resident member of the military) would be allowed the full credit. Apportionment would continue for part-year residents—that is, individuals who move into or out of the state during the tax year based on the percentage of their income that is derived from Minnesota sources.</p> <p>Effective date: Retroactive to tax year 2016 (original effective date of the credit).</p>	<p>No comparable provision.</p>
30	<p>Definitions. Establishes new definitions for the credit in section 29 for “certificate of birth,” “eligible individual,” and “stillbirth.” These definitions clarify the documentation and eligibility requirements for the credit, including for situations where the individual who gave birth is not listed as a parent on the birth certificate.</p> <p>Effective date: Retroactive to tax year 2016 (original effective date of the credit).</p>	<p>No comparable provision.</p>
31	<p>Definitions; individual AMT. Modifies the definition of alternative minimum taxable income to reflect the additions and subtractions established in the bill.</p> <p>Effective date: Based on effective dates of underlying provisions.</p>	<p>No comparable provision.</p>
32	<p>Controlled foreign corporations. For purposes of applying the unitary taxation rules, a controlled foreign corporation (CFC) is deemed to be a domestic corporation if the domestic shareholder of a CFC is required to include GILTI in their gross income and the CFC is a member of the unitary group. Establishes administrative provisions relating to accounting and currency conversions.</p> <p>Effective date: Tax years in 2021 and thereafter.</p>	<p>No comparable provision.</p>

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Sec.	Article 2: Individual Income and Corporate Franchise Taxes	Article 2: Income and Corporate Franchise Taxes
33	<p>Worldwide election. Allows members of a combined group that includes a CFC deemed to be a domestic corporation under section 1 to elect worldwide combined reporting (i.e. use the worldwide income and apportionment factors of each member of the unitary group). The worldwide election would be binding for a period of ten years.</p> <p>Effective date: Tax years in 2021 and thereafter.</p>	<p>No comparable provision.</p>
34	<p>Withdrawal; reinstatement. Allows withdrawal after the ten-year period in section 2 and provides for an early withdrawal from the worldwide election for an extraordinary hardship due to a change in circumstances. A withdrawal or failure to withdraw is binding for ten years. This section also provides for a reinstatement of a withdrawal due to hardship.</p> <p>Effective date: Tax years in 2021 and thereafter.</p>	<p>No comparable provision.</p>
35	<p>Controlled foreign corporations. Clarifies an existing provision of law related to the treatment of subpart F income as dividend income.</p> <p>Effective date: Day following final enactment.</p>	<p>No comparable provision.</p>
36	<p>Previously taxed deferred foreign income. Treats the addition for previously taxed deferred foreign income in section 15 as dividend income.</p> <p>Effective date: Tax years in 2021 and thereafter.</p>	<p>No comparable provision.</p>
37	<p>Withholding by partnerships. Provides an exception to the withholding rules for partners in a partnership that elects to file and pay the pass-through entity tax in section 7.</p> <p>Effective date: Tax years in 2021 and thereafter.</p>	<p>Article 1, section 5. Same.</p>
38	<p>Withholding by S corporations. Provides an exception to the withholding rules for shareholders in an S corporation that elects to file and pay the pass-through entity tax in section 7.</p> <p>Effective date: Tax years in 2021 and thereafter.</p>	<p>Article 1, section 6. Same.</p>
39	<p>Income. Modifies the definition of income for purposes of the property tax refund to reflect the addition in section 12.</p> <p>Effective date: Tax years in 2021 and thereafter.</p>	<p>No comparable provision.</p>
40	<p>Film production credit. Allows a tax credit for the premium tax for the film credit certified in section 5. Unused credits may be carried over for five years.</p> <p>Effective date: Tax years 2021 through 2024.</p>	<p>No comparable provision.</p>
41	<p>Clarification of section 179 expensing conformity. Eliminates the state addition for the portion of the federal section 179 subtraction arising from a federal section 179 carryover, for property placed in service prior to tax year 2020.</p> <p>Effective date: Retroactive to tax year 2020 and thereafter.</p>	<p>Article 1, section 7. Same.</p>

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Sec.	Article 2: Individual Income and Corporate Franchise Taxes	Article 2: Income and Corporate Franchise Taxes
42	<p>Repealer. Repeals the following unnecessary or duplicative provisions relating to the taxation of GILTI and deemed repatriation:</p> <ul style="list-style-type: none"> • The definition of “deferred foreign income” • The addition for the special federal deductions for GILTI and deemed repatriation <p>Effective date: Retroactive to tax year 2016 and thereafter.</p> <p>Repeals the current definition of “resident trust” which is updated in section 9.</p> <p>Effective date: Tax year 2020 and thereafter.</p>	<p>No comparable provision.</p>

Sec.	Article 3: Partnership Audits	Article 7: Partnership Audits
1	<p>Enforcement; administrative order; penalties; cease and desist. Conforming change.</p> <p>Effective date: When effective for federal purposes.</p>	<p>Section 1. Same.</p>
2	<p>Individual income, fiduciary income, mining company, corporate franchise, and entertainment taxes. Conforming change.</p> <p>Effective date: When effective for federal purposes.</p>	<p>Section 2. Same.</p>
3	<p>Erroneous refunds. Conforming change.</p> <p>Effective date: When effective for federal purposes.</p>	<p>Section 3. Same.</p>
4	<p>Federal tax changes. Conforming change.</p> <p>Effective date: When effective for federal purposes.</p>	<p>Section 4. Same.</p>
5	<p>Failure to report change or correction of federal return. Conforming change; allows prepayment of estimated tax.</p> <p>Effective date: When effective for federal purposes.</p>	<p>Section 5. Same.</p>
6	<p>Report made of change or correction of federal return. Conforming change.</p> <p>Effective date: When effective for federal purposes.</p>	<p>Section 6. Same.</p>
7	<p>Incorrect determination of federal adjusted gross income.</p> <p>Conforming change.</p> <p>Effective date: When effective for federal purposes.</p>	<p>Section 7. Same.</p>
8	<p>Definitions relating to federal adjustments. Amends Minn. Stat. ch. 289A, by adding Minn. Stat. § 289A.381, which contains various definitions relating to the reporting of federal adjustments, and federal adjustments to partnership returns.</p> <p>Incorporates MTC proposed language regarding negative adjustments in the definition of "federal adjustment."</p> <p>Effective date: When effective for federal purposes.</p>	<p>Section 8. Similar. Definitions are the same except for the definition of “federal adjustment” in subdivision 7. Senate language does not MTC language regarding positive and negative adjustments.</p>
9	<p>Reporting adjustments following a partnership level audit. This section provides the substantive</p>	<p>Section 9. Similar. Provisions are the same except for reporting and payment requirements for partnerships and tiered partners under subdivision 2.</p>

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Sec.	Article 3: Partnership Audits	Article 7: Partnership Audits
	<p>provisions related to the state response to federal partnership audits.</p> <p>Subd. 1. State partnership representative. Allows a partnership to designate a state representative for the partnership, otherwise, the federal representative is the state representative.</p> <p>Subd. 2. Reporting and payment requirements for partnerships and tiered partners. Except for partnerships electing the partner pay option and negative adjustments, requires reporting of federal adjustments with the state and direct partners within 90 days of the final determination date. Within 180 days of a final adjustment, direct partners other than tiered partners must file a federal adjustments report of their distributive share of federal adjustments and pay any additional tax due.</p> <p>Subd. 3. Election; partnership or tiered partners pay. Allows audited partnerships the election to pay tax at the entity level. Within 180 days of the final adjustment, a partnership must report the residency status of all direct partners and pay tax on the properly allocated and apportioned share of all income at the highest marginal rate for its individual and corporate direct and tiered partners.</p> <p>Subd. 4. Tiered partners and indirect partners. Requires that direct and indirect tiered partners of an audited partnership are subject to the reporting and payment requirements and may also elect to pay their tax at the entity level.</p> <p>Subd. 5. Effects of election by partnership or tiered partner and payment of amount due. Provides that the election under subdivision 3 is irrevocable. Deems partnership paid taxes to be paid in lieu of tax paid by the direct and indirect partners.</p> <p>Subd. 6. Failure of partnership or tiered partner to report or pay. Allows the commissioner to assess direct or indirect partners for taxes owed if a partnership or tiered partner fails to timely report or pay as required.</p> <p>Effective date: When effective for federal purposes.</p>	<p>Senate language does not include reference to negative federal adjustments.</p>
10	<p>Consent to extend statute. Conforming change.</p> <p>Effective date: When effective for federal purposes.</p>	<p>Section 10. Same.</p>
11	<p>Penalty for failure to notify of federal change. Conforming change.</p> <p>Effective date: When effective for federal purposes.</p>	<p>Section 11. Same.</p>
12	<p>Partners, not partnership, subject to tax. Conforming change.</p> <p>Effective date: When effective for federal purposes.</p>	<p>Section 12. Same.</p>
13	<p>Time limit for bad debt refund. Conforming change.</p> <p>Effective date: When effective for federal purposes.</p>	<p>Section 13. Same.</p>
14	<p>Time limit for a bad debt deduction. Conforming change.</p> <p>Effective date: When effective for federal purposes.</p>	<p>Section 14. Same.</p>

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Sec.	Article 3: Partnership Audits	Article 7: Partnership Audits
15	<p>Repayment procedures. Conforming change. Effective date: When effective for federal purposes.</p>	<p>Section 15. Same.</p>

Sec.	Article 4: Sales and Use Taxes	Article 3: Sales and Use; Excise Taxes
	<p>Article 13, section 2. Similar. House language does not include a change to the budget reserve account amount. House also provides for reduction in June accelerated remittance requirement for cigarette or tobacco products taxes under section 297F.09 and for alcoholic beverage taxes under section 297G.09.</p>	<p>Section 1. Additional revenues; priority. Increases budget reserve account amount to \$2.377 billion. Requires, for a November forecast only, a transfer to reduce the percentage of June accelerated sales tax liability payments under section 298A.20 until the percentage equals zero. Effective July 1, 2021.</p>
	<p>Article 13, section 5. Similar. House language also makes technical changes deleting references to past fiscal years (see paragraph (c)).</p>	<p>Section 2. Sales and use tax. Adds a cross-reference to the reduced percentage amount calculated in section 1 to the June accelerated remittance requirement. Provides that the June accelerated remittance requirement expires after the percentage remitted is reduced to zero. Effective July 1, 2021.</p>
1	<p>Season ticket purchasing rights to collegiate events. Excludes the extra price paid to sit in a “preferred viewing location” for season tickets to a college sporting event from the taxable sales price of the ticket, provided the following criteria is met:</p> <ul style="list-style-type: none"> • the underlying ticket price must be at least as high as the highest ticket price for the surrounding seats, not in a preferred viewing location; • the extra price must be separately stated; and • the revenue from the extra price must go entirely to support student scholarships, student wellness, and academic costs. <p>Effective for sales and purchases made after June 30, 2021.</p>	<p>No comparable provision.</p>
2	<p>Fund-raising sales by or for nonprofit groups. Exempts the sales made by school-associated student groups even when the money is recorded as part of school district revenues provided that:</p> <ul style="list-style-type: none"> • the sales are for fund-raising purposes of elementary or secondary student organizations for the purposes of funding extracurricular activities such as sports, arts, etc.; and • the school district reserves the revenue raised for extracurricular activities and the money raised for a specific activity is spent on that activity. <p>This provision restores this exemption that was in place prior to a change made in the 2019 omnibus education bill. Effective the day after final enactment.</p>	<p>Section 3. Same.</p>
3	<p>Prepared food used by certain nonprofits. Exempts nonprofit organization’s purchase of prepared food when the food is purchased under contract to fulfill its charitable mission of food provision through the federal Child and Adult Care</p>	<p>No comparable provision.</p>

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Sec.	Article 4: Sales and Use Taxes	Article 3: Sales and Use; Excise Taxes
	<p>Food Program or the federal Summer Food Service Program to unaffiliated sites.</p> <p>Effective for sales and purchases made after June 30, 2021.</p>	
4	<p>Construction; certain local government facilities. Extends by one year the sales tax exemption on materials and supplies used in and equipment incorporated into construction of a fire station and police station in the city of Minnetonka, provided the purchases occur after June 30, 2020, and before January 1, 2022.</p> <p>Effective the day following final enactment.</p>	<p>No comparable provision.</p>
5	<p>Public safety facilities. Provides an exemption for supplies and materials used in and equipment incorporated into construction, remodeling, improvement, or expansion of fire and police stations, including their related facilities, owned by a local government.</p> <p>Effective for sales and purchases made after June 30, 2021.</p>	<p>Section 4. Same.</p>
6	<p>Tax collected. Requires the upfront payment of the tax on items exempt under section 5.</p> <p>Effective for sales and purchases made after June 30, 2021.</p>	<p>Section 5. Same.</p>
7	<p>Refunds; eligible persons. Requires the local government that owns the police or fire station to apply for a refund of tax paid on the exempt items under section 5.</p> <p>Effective for sales and purchases made after June 30, 2021.</p>	<p>Section 6. Same.</p>
8	<p>Application. Requires the contractor, subcontractor, or builder to provide the local government with information sufficient to file for the refund of tax paid for the exemption provided under section 5.</p> <p>Effective for sales and purchases made after June 30, 2021.</p>	<p>Section 7. Same.</p>
9	<p>City of Melrose; sales tax construction exemption. Extends the exemption for construction materials used in the reconstruction and recovery of properties destroyed by the September 8, 2016, fire. The exemption will expire on July 1, 2023.</p> <p>Effective the day following final enactment.</p>	<p>No comparable provision.</p>
10	<p>City of Alexandria; properties destroyed or damaged by fire. Provides a sales tax exemption for the following items used to repair, replace, clear, or otherwise remediate damage caused by a fire in the city of Alexandria if sales and purchases are made after February 24, 2020, and before February 28, 2023:</p> <ul style="list-style-type: none"> • construction materials and supplies used in and equipment incorporated into the construction or replacement of real property; and 	<p>No comparable provision.</p>

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Sec.	Article 4: Sales and Use Taxes	Article 3: Sales and Use; Excise Taxes
	<ul style="list-style-type: none"> • durable equipment used in a restaurant for food storage, preparation, and serving. <p>Also provides an exemption for cleaning and disinfecting services relating to smoke damage mitigation for sales and purchases made after February 24, 2020, and before January 1, 2021.</p> <p>This section is effective the day following final enactment and is retroactive to sales and purchases made after February 24, 2020.</p>	
11	<p>City of Buffalo; sales tax exemption for construction materials. Provides a construction materials exemption for a new fire station in the city of Buffalo, provided the purchases occur after March 31, 2020, and before July 1, 2021. Any refunds due must be issued after June 30, 2021. Appropriates the amount necessary to issue refunds to the commissioner of revenue.</p> <p>Effective retroactively and applies to sales and purchases made after March 31, 2020, and before July 1, 2021.</p>	No comparable provision.
12	<p>City of Hibbing; sales tax exemption for construction materials. Provides a construction materials exemption for the following projects in the city of Hibbing, provided the purchases occur after May 1, 2019, and before January 1, 2025:</p> <ul style="list-style-type: none"> • the addition of an early childhood family education center to an elementary school; and • improvements to the athletic facility in ISD No. 701. <p>Any refunds due must be issued after June 30, 2021. Appropriates the amount necessary to issue refunds to the commissioner of revenue.</p> <p>Effective retroactively and applies to sales and purchases made after May 1, 2019, and before January 1, 2025.</p>	No comparable provision.
13	<p>City of Maplewood; sales tax construction exemption. Provides a construction materials exemption for a new fire station and emergency management center in the city of Maplewood, provided the purchases occur after September 30, 2020, and before July 1, 2021.</p> <p>Any refunds due must be issued after June 30, 2021. Appropriates the amount necessary to issue refunds to the commissioner of revenue.</p> <p>Effective retroactively and applies to sales and purchases made after September 30, 2020, and before July 1, 2021.</p>	No comparable provision.
14	<p>City of Marshall; sales tax exemption for construction materials. Provides a construction materials exemption for the remodeling of an elementary school building in the city of Marshall, provided the purchases occur after May 1, 2019, and before January 1, 2022. Any refunds due must be issued after June 30, 2021. Appropriates the</p>	No comparable provision.

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Sec.	Article 4: Sales and Use Taxes	Article 3: Sales and Use; Excise Taxes
	<p>amount necessary to issue refunds to the commissioner of revenue.</p> <p>Effective retroactively and applies to sales and purchases made after May 1, 2019, and before January 1, 2022.</p>	
15	<p>City of Plymouth; sales tax exemption for construction materials. Provides a construction materials exemption for the replacement, renovation, and expansion of two fire stations in the city of Plymouth, provided the purchases occur after January 1, 2021, and before July 1, 2021. Any refunds due must be issued after June 30, 2021. Appropriates the amount necessary to issue refunds to the commissioner of revenue.</p> <p>Effective retroactively and applies to sales and purchases made after January 1, 2021, and before July 1, 2021.</p>	<p>No comparable provision.</p>
16	<p>City of Proctor; sales tax exemption for construction materials. Provides a construction materials exemption for construction of a sand and salt storage facility in the city of Proctor, provided the purchases occur after March 31, 2021, and before January 1, 2023. Any refunds due must be issued after June 30, 2021. Appropriates the amount necessary to issue refunds to the commissioner of revenue.</p> <p>Effective retroactively and applies to sales and purchases made after March 31, 2021, and before January 1, 2023.</p>	<p>No comparable provision.</p>
17	<p>City of Virginia; sales tax exemption for construction materials. Provides a construction materials exemption for construction of a public safety center and training facility for fire and police departments in the city of Virginia, provided materials and supplies are purchased after May 1, 2021, and before July 1, 2021. Any refunds due must be issued after June 30, 2021.</p> <p>Appropriates the amount necessary to issue refunds to the commissioner of revenue.</p> <p>Effective retroactively and applies to sales and purchases made after May 1, 2021, and before July 1, 2021.</p>	<p>No comparable provision.</p>
18	<p>Rock Ridge Public Schools; sales tax exemption for construction materials. Provides a construction materials exemption for construction of two new elementary schools and one high school in the Rock Ridge area, provided the purchases occur after May 1, 2019, and before January 1, 2024.</p> <p>Any refunds due must be issued after June 30, 2021. Appropriates the amount necessary to issue refunds to the commissioner of revenue.</p> <p>Effective retroactively and applies to sales and purchases made after May 1, 2019, and before January 1, 2024.</p>	<p>No comparable provision.</p>
19	<p>MSP Airport; sales tax exemption for construction materials. Provides a construction</p>	<p>No comparable provision.</p>

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Sec.	Article 4: Sales and Use Taxes	Article 3: Sales and Use; Excise Taxes
	<p>materials exemption for construction and improvements of the following projects at the Minneapolis-St. Paul International Airport, provided the purchases occur after June 30, 2021, and before January 1, 2024:</p> <ul style="list-style-type: none"> • an aircraft rescue and fire station and associated facilities; • a trades materials storage facility; • replacement and rehabilitation of a terminal roof; • replacement and rehabilitation of a baggage handling system; and • replacement, rehabilitation, and operational improvements to the passenger arrivals and departures area at Terminal 1. <p>Appropriates the amount necessary to issue refunds to the commissioner of revenue.</p> <p>Effective for sales and purchases made after June 30, 2021, and before January 1, 2024.</p>	
20	<p>Property destroyed or damaged during protests and unrest in May and June of 2020. Provides a refundable sales tax exemption for the following:</p> <ul style="list-style-type: none"> • construction materials, supplies, and equipment for rebuilding or repair of damaged buildings, including purchases by contractors and subcontractors; • replacement of capital equipment; and • cleaning and disinfecting services related to smoke damage and graffiti. <p>The damage must have occurred during the period after May 24 and before June 16, 2020. To qualify for the exemption, the damaged or destroyed building must have been owned by, or occupied by, at least one of the following:</p> <ul style="list-style-type: none"> • a small business, defined by their annual gross income in the previous year; • a nonprofit; or • a qualifying low-income housing development. <p>The exemption does not apply to purchases of a new owner if the building is sold.</p> <p>The exemption covers sales and purchases made after May 25, 2020, and before December 1, 2022. Any refunds due must be issued after June 30, 2021.</p> <p>Effective retroactively for sales and purchases made after May 25, 2020.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p>Section 8. Tax must be remitted. Amends the sales tax remittance requirement to provide that the amount of the vendor allowance authorized in section 9 is excluded from the amount remitted.</p> <p>Effective for sales taxes remitted after June 30, 2022.</p>
	<p>No comparable provision.</p>	<p>Section 9. Vendor allowance. Allows retailers who report and timely remit sales taxes to retain a portion of their remittance as compensation for the</p>

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Sec.	Article 4: Sales and Use Taxes	Article 3: Sales and Use; Excise Taxes
		<p>costs of collecting and administering the taxes. Use taxes paid by the retailer on the retailer’s own purchases must not be used in the calculation of the allowance. The allowance equals 0.15 percent of sales taxes collected in the reporting period, up to \$250. The allowance must not reduce tax owed to less than zero. The amount retained must be calculated only on collections of the state general 6.5% sales tax.</p> <p>Effective for sales taxes remitted after June 30, 2022.</p>
	<p>No comparable provision.</p>	<p>Section 11. Minnesota housing tax credit. Allows a credit against the insurance premiums tax for contributions to the Minnesota housing tax credit contribution fund established in Article 2.</p> <p>Effective for tax years 2023 and 2024.</p>
	<p>No comparable provision.</p>	<p>Section 12. New taxes prohibited. Prohibits a local taxing authority to impose a new excise tax or fee, or increase an existing excise tax or fee on the manufacture, distribution, wholesale, or retail sale of food based on the volume of product sold, product sales value, or type of product manufactured, distributed, or sold, or on any container or instrument used for transporting, protecting, or consuming food. The section does not apply to licensing fees required by a local licensing authority in its regulatory capacity.</p> <p>Effective the day following final enactment.</p>
<p>21</p>	<p>Sales tax exemption for certain purchases related to COVID-19. Provides a temporary sales tax exemption for materials, supplies, and equipment used by restaurants to modify their establishments to comply with any executive order related to COVID-19 or any COVID-19 health guidelines.</p> <p>The maximum refund allowed by this section is limited to \$1,000 per restaurant location as determined by a federal employer identification number or sales tax account number.</p> <p>Purchases must be made between March 1, 2020, and December 31, 2021.</p>	<p>Section 13. Same, except to the refund language refers to “Minnesota tax identification number” instead of FEIN or Minnesota sales and use tax account number.</p>

Sec.	Article 5: Vapor and Tobacco Taxes	
<p>1</p>	<p>Delivery sale. Creates a definition of “delivery sale” within the cigarette and tobacco taxes chapter to align with the meaning given in the chapter regulating distribution of tobacco products.</p> <p>A “delivery sale” is a sale of tobacco products to a consumer in Minnesota when the item is sold over the phone, online, or by mail order form, or is delivered to the customer in Minnesota by mail or other delivery service.</p> <p>Effective January 1, 2022.</p>	<p>No comparable provision.</p>
<p>2</p>	<p>Heat device. Creates a definition of “heat device” within the cigarette and tobacco taxes chapter.</p>	<p>No comparable provision.</p>

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Sec.	Article 5: Vapor and Tobacco Taxes	
	<p>A “heat device” is an electronic device used with a cigarette to produce a vapor or aerosol, and includes components, parts, accessories, apparel, and other items that are packaged with, connected to, attached to, or contained within the device.</p> <p>Effective January 1, 2022.</p>	
3	<p>Tobacco products. Adds the newly created “heat devices” from section 2 to the definition of “tobacco products,” thus including heat devices in the tax on tobacco products equal to 95 percent of the wholesale price.</p> <p>Effective January 1, 2022.</p>	<p>No comparable provision.</p>
4	<p>Nicotine solutions products. Amends the definition of “nicotine solution products” to add commonly-used terms for nicotine solution product devices and includes these devices in the definition regardless of whether they are sold with a solution containing nicotine.</p> <p>Provides that nicotine solution products include components, parts, accessories, apparel, and other items that are packaged with, connected to, attached to, or contained within the device.</p> <p>Effective January 1, 2022.</p>	<p>No comparable provision.</p>
5	<p>Wholesale sales price. Clarifies that the price of any items within a kit that includes a solution containing nicotine is included in the wholesale sales price of the item.</p> <p>Provides that for heat devices that are sold as part of a kit, the wholesale sales price includes any items sold as part of that kit including components, parts, accessories, or other items.</p> <p>Effective for kits purchased by distributors after December 31, 2021.</p>	<p>No comparable provision.</p>
6	<p>Registration requirement. Clarifies that the registration requirement applicable to out-of-state retailers applies before making delivery sales.</p> <p>Effective for all delivery sales occurring after December 31, 2021.</p>	<p>No comparable provision.</p>
7	<p>Retailer collection and remittance of use tax. Requires retailers and out-of-state retailers to collect and pay any use tax legally due and give the purchaser a receipt of taxes paid.</p> <p>Effective for all delivery sales occurring after December 31, 2021.</p>	<p>No comparable provision.</p>
8	<p>Use tax return. Requires retailers and out-of-state retailers that make delivery sales to file a monthly tax return accompanied by the full unpaid tax liability.</p> <p>Effective for all delivery sales occurring after December 31, 2021.</p>	<p>No comparable provision.</p>
9	<p>Reporting requirements. Requires retailers and out-of-state retailers that make delivery sales to file monthly reports. Clarifies that this requirement may</p>	<p>No comparable provision.</p>

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Sec.	Article 5: Vapor and Tobacco Taxes	
	<p>be met by meeting certain federal law requirements and by filing under the use tax return requirement.</p> <p>Effective for all delivery sales occurring after December 31, 2021.</p>	
10	<p>Electronic payment. Requires retailers and out-of-state retailers having a liability of \$10,000 or more during a fiscal year ending June 30 to remit all liabilities in all subsequent calendar years by electronic means.</p> <p>Effective for all delivery sales occurring after December 31, 2021.</p>	<p>No comparable provision.</p>
11	<p>Accelerated tax payment. Requires retailers and out-of-state retailers to meet the accelerated tax payment requirements that are applicable to delivery sales occurring after December 31, 2021.</p> <p>Effective for all delivery sales occurring after December 31, 2021.</p>	<p>No comparable provision.</p>
12	<p>Definitions. Makes conforming changes to the definition of “tobacco products” in chapter 325F to include “cigarettes” and “tobacco products” as defined in the cigarette and tobacco taxes chapter.</p> <p>Effective January 1, 2022.</p>	<p>No comparable provision.</p>
13	<p>Registration requirement. Makes conforming changes in chapter 325F to align the registration requirement of out-of-state retailers with the registration requirement imposed by the cigarette and tobacco taxes chapter.</p> <p>Effective January 1, 2022.</p>	<p>No comparable provision.</p>
14	<p>Collection of taxes. Makes conforming changes in chapter 325F to the section imposing penalties on retailers making delivery sales to align with the amended requirements in the cigarette and tobacco taxes chapter that require these retailers to file all returns and reports, collect and pay all taxes, and maintain all records.</p> <p>Effective for all delivery sales occurring after December 31, 2021.</p>	<p>No comparable provision.</p>

Sec.	Article 6: Special Taxes	Article
1	<p>Rate. Clarifies that the solid waste tax for construction debris and industrial waste is 60 cents per cubic yard and that the PCA must determine and publish weight-to-volume conversion schedules.</p> <p>Effective date: July 1, 2021.</p>	<p>No comparable provision.</p>
2	<p>Self-haulers. Modifies the solid waste tax rate for self-haulers generating construction debris to match the rate for commercial generators, which is 60 cents per cubic yard. Also makes the same clarifying change for self-hauler generated industrial waste that is made in section 1.</p> <p>Effective date: July 1, 2021.</p>	<p>No comparable provision.</p>
3	<p>Nonadmitted insurance premiums tax. Increases the tax rate under the premium tax for surplus lines insurance purchased directly from an insurer from</p>	<p>No comparable provision.</p>

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Sec.	Article 6: Special Taxes	Article
	two percent to three percent. The rate for purchases made through an agent is currently three percent. Effective date: Policies effective in 2022.	
4	Merchantable iron ore concentrate. Expands the types of iron ore bearing material that are subject to the production tax to include lump ore. Effective for taxes payable in 2022 and thereafter.	No comparable provision.
5	Imposed; calculation. Expands the types of iron ore bearing material that are subject to the production tax to include lump ore. Effective for taxes payable in 2022 and thereafter.	No comparable provision.
6	Definition. Expands the types of iron ore bearing material that are subject to the production tax to include lump ore. Effective for taxes payable in 2022 and thereafter.	No comparable provision.

Sec.	Article 7: Property Taxes	Article 4: Property Tax and Aids & Credits
1	County assessors; homestead classification and renter credit. Allows the commissioner of revenue to administer the renter’s property tax refund for applicants who applied with an individual taxpayer identification number (ITIN). This section, along with all or parts of sections 2, 4, 7, 9, 10, 11, 12, 13, 14, 18, and 26, also allows property owners to qualify for homestead and property tax refunds by providing an ITIN on a homestead application. Effective for allowed disclosures made in 2021 and thereafter	No comparable provision.
2	County assessors; homestead application determination, and income tax status. Contains changes related to the ITIN provision. Effective for allowed disclosures made in 2021 and thereafter.	No comparable provision.
3	Certain property owned by an Indian tribe. Exempts from property taxes approximately 35 parcels owned by the Leech Lake Band of Ojibwe in Cass County. This provision reestablishes the property tax exemptions for these parcels and provides for a refund of any state general taxes paid in 2020 and 2021. Effective beginning with assessment year 2021.	No comparable provision.
4	Requirement. Contains conforming changes related to the ITIN provision which allows a certificate of value may be filed with a grantor’s or grantee’s ITIN. Effective the day following final enactment	No comparable provision.
5	General rule. Adds grandparent, stepparent, stepchild, uncle, aunt, nephew, and niece to the list of qualifying relatives for agricultural relative homestead. Effective for property taxes payable in 2022 and thereafter.	Section 2. Same.

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Sec.	Article 7: Property Taxes	Article 4: Property Tax and Aids & Credits
6	<p>Manufactured home park cooperative. Corrects a cross-reference to conform to changes made to manufactured home park property in section 16.</p> <p>Effective for property taxes payable in 2023 and thereafter.</p>	<p>No comparable provision.</p>
7	<p>Leasehold cooperatives. Contains conforming changes related to the ITIN provision.</p> <p>Effective beginning with assessment year 2021 and thereafter.</p>	<p>No comparable provision.</p>
8	<p>Homestead established after assessment date. Moves the homestead occupancy and application deadlines to December 31.</p> <p>Effective beginning with assessments in 2021.</p>	<p>Section 3. Same.</p>
9	<p>Homestead application. Contains a conforming change related to the homestead application deadline in section 8.</p> <p>This section also allows individuals with ITINs to qualify for homestead.</p> <p>Effective beginning with assessments in 2021.</p>	<p>Section 4. Similar. Senate includes application deadline conforming change only.</p> <p>No comparable provision.</p> <p>Same</p>
10	<p>Occupant list. Contains conforming changes related to the ITIN provision.</p> <p>Effective beginning with assessment year 2021 and thereafter.</p>	<p>No comparable provision.</p>
11	<p>Property lists. Contains conforming changes related to the ITIN provision.</p> <p>Effective for homestead data provided in 2022 and thereafter.</p>	<p>No comparable provision.</p>
12	<p>Homestead data. Contains conforming changes related to the ITIN provision.</p> <p>Effective for homestead data provided in 2022 and thereafter.</p>	<p>No comparable provision.</p>
13	<p>Agricultural homesteads; special provisions. Contains conforming changes related to the ITIN provision.</p> <p>Effective for homestead applications filed in 2021 and thereafter.</p>	<p>No comparable provision.</p>
14	<p>Private or nonpublic data. Contains conforming changes related to the ITIN provision.</p> <p>Effective for homestead applications filed in 2021 and thereafter.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p>Sections 5. Class 4d; Notice. Requires an annually updated posting in all class 4d properties providing notice that the property is classified in whole or in part as class 4d and providing the income and rent restrictions required under the 4d program.</p> <p>Effective beginning with property taxes payable in 2022.</p>
	<p>No comparable provision.</p>	<p>Section 6. Class 4d; Approval. Requires a property owner receive approval by the city or town where the property is located before applying to the Housing Finance Agency for initial class 4d designation, for property that was not, in whole or</p>

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Sec.	Article 7: Property Taxes	Article 4: Property Tax and Aids & Credits
		<p>in part, classified as class 4d prior to assessment year 2022. A property owner is not required to seek approval prior to submitting an application in each subsequent year.</p> <p>Effective beginning with property taxes payable in 2022.</p>
	<p>No comparable provision.</p>	<p>Section 7. Class 4d; Application. Adds the notice and approval requirements from Sections 5 and 6 to the application submitted to the Housing Finance Agency for class 4d designation.</p> <p>Effective beginning with property taxes payable in 2022.</p>
<p>15</p>	<p>Class 2. Provides that when a parcel of at least 20 acres is enrolled in the sustainable forest incentive act program (SFIA) and the parcel has been improved with a structure, the number of acres assigned to the split parcel is the greater of three or the number of acres excluded from SFIA due to the structure.</p> <p>Effective for assessment year 2022 and thereafter.</p>	<p>No comparable provision.</p>
<p>16</p>	<p>Class 4.</p> <p>Sets the class rate at 0.75 percent for all manufactured home park property.</p> <p>This section also sets the first tier limit for 4d property at \$174,000 for assessment year 2022 and assessment year 2023.</p> <p>The manufactured home park provision is effective for property taxes payable in 2023 and thereafter. The 4d provision is effective beginning with assessments year 2022.</p>	<p>Section 8. Different.</p> <p>No comparable provision.</p> <p>Senate sets the class rate at 0.25 percent for all class 4d property. Effective beginning with taxes payable in 2022.</p>
<p>17</p>	<p>Homestead of veteran with a disability or family caregiver. Moves the application deadline for the disabled veteran’s homestead market value exclusion to December 31 to match the homestead application deadline change in section 8.</p> <p>Effective beginning with assessments in 2021.</p>	<p>Section 9. Same.</p>
<p>18</p>	<p>Class 1b homestead declaration 2009 and thereafter. Contains conforming changes related to the ITIN provision.</p> <p>Effective for homestead applications filed in 2021 and thereafter</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p>Section 10. Licensed In-Home Child Care Provider Credit. Establishes a property tax credit for residential or agricultural homestead property (limited to house, garage, and surrounding one acre) used to operate licensed in-home child care. The credit is equal to 50% of the amount of net tax due for the current taxes payable year. An open appropriation from the general fund to the commissioners of education and revenue is included.</p> <p>Effective with property taxes payable in 2022.</p>
	<p>No comparable provision.</p>	<p>Section 11. Payment; school districts. Adds the licensed in-home child care provider property tax</p>

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Sec.	Article 7: Property Taxes	Article 4: Property Tax and Aids & Credits
		credit to the list of credits certified by the Department of Revenue to the Department of Education. Effective July 1, 2022.
	No comparable provision.	Section 12. Computation of net property taxes. Adds the licensed in-home child care provider property tax credit to the list of property tax credits used to determine a property’s net tax. Effective beginning with property taxes payable in 2022.
19	Levy amount. Decreases the commercial-industrial portion of the state general levy by \$20.1 million so that the increased exclusion in section 20 does not result in shifting of the state general tax. Effective beginning with property taxes payable in 2022 and thereafter	Section 13. Same.
20	Commercial-industrial tax capacity. Increases the commercial-industrial market value excluded from the state general tax to \$150,000. Effective beginning with property taxes payable in 2022 and thereafter.	Section 14. Same.
21	Proposed levy. Requires counties and cities with a population of at least 500 to publicly post budget information and hold a public meeting on the budget and proposed property tax levy, prior to setting the proposed levy. Effective for property taxes payable in 2022 and thereafter.	No comparable provision.
22	Notice of proposed property taxes. Requires fire protection special taxing districts, established under section 27, to hold annual Truth-in-Taxation hearings on their proposed levies. This section also removes the current requirement that counties, cities with a population of at least 500, and school districts hold this hearing. These jurisdictions are instead required to hold the Minnesota Property Taxpayer’s Day meeting established in section 24. Effective for property taxes payable in 2022 and thereafter.	Section 15. Similar. Senate includes requirement for fire protection and emergency medical service special taxing districts to hold truth-in-taxation hearings, and also requires the licensed in-home child care provider property tax credit be separately stated on the truth-in-taxation notice. Effective beginning with property taxes payable in 2022.
23	Notice of proposed property taxes required supplemental information. Adds a supplemental statement to the notice of proposed property taxes. This statement must contain three pieces of information: (1) the percent change in levy proposed for the following year by the county, city or township, and school district; (2) summary budget information for the county, city, and school district; and (3) information on how to access each jurisdiction’s website where taxpayers can find the proposed budget and information on how to participate in the Minnesota Property Taxpayer’s Day meetings established in section 24. Effective for property taxes payable in 2022 and thereafter.	No comparable provision.

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Sec.	Article 7: Property Taxes	Article 4: Property Tax and Aids & Credits
24	<p>Minnesota Property Taxpayer’s Day. Establishes an annual meeting to allow the public to provide input on proposed property tax levies for counties, cities with a population of at least 500, and school districts. The meeting must be held on the first Wednesday following the first Monday in December. The public must be allowed to participate in person or remotely. Counties must begin their meetings at 6:00 p.m., cities at 7:00 p.m., and school districts at 8:00 p.m. Each jurisdiction must allow the public to speak no later than 20 minutes after the start of the meeting. Information on how to participate in the meetings must be posted on each jurisdiction’s website by November 10.</p> <p>Effective July 1, 2021.</p>	<p>No comparable provision.</p>
25	<p>Special taxing districts; definition. Adds fire protection special taxing districts to the definition of special taxing districts for the purposes of property taxation.</p> <p>Effective the day following final enactment.</p>	<p>Section 16. Similar. Senate expands emergency medical service special taxing district to include fire protection.</p> <p>Effective the day following final enactment.</p>
	<p>No comparable provision.</p>	<p>Section 17. Contents of tax statements. Requires the licensed in-home child care provider property tax credit be separately stated on the final property tax statement.</p> <p>Effective beginning with property taxes payable in 2022.</p>
	<p>No comparable provision.</p>	<p>Section 18. Income. Excludes veterans disability compensation from the definition of “income” used for purposes of the Homestead Credit Refund and the Renter’s Property Tax Refund.</p> <p>Effective for refund claims based on property taxes payable in 2022 and rent paid in 2021, and thereafter.</p>
26	<p>Verification of Social Security numbers. Contains conforming changes related to the ITIN provision.</p> <p>Effective for lists furnished by the commissioner in 2021 and thereafter.</p>	<p>No comparable provision.</p>
27	<p>Fire protection special taxing districts. Allows local jurisdictions to establish special taxing districts that provide fire protection and emergency medical services. Once established by the local jurisdictions, these districts are governed by a board and have the authority to levy property taxes and issue debt. The bill requires participating jurisdictions to enter into an agreement that specifies how liabilities and assets are distributed if the district is dissolved, and also allows jurisdictions to join or withdraw from a district once it has been established.</p> <p>Effective the day following final enactment.</p>	<p>Section 1. Similar. Senate expands current law emergency medical services special taxing district authorization to include fire protection services. Senate also requires political subdivisions and newly established districts to submit levy and expenditure reports to the legislature.</p> <p>Effective the day following final enactment and applies to districts established after June 30, 2021, except that districts established prior to June 30, 2021, are eligible for additional property tax levy and issuance of debt authorizations beginning with property taxes payable in 2022.</p>
28	<p>Improvements authorized. Authorizes a city to impose a special assessment for an energy improvement project, upon petition by owner. The municipality must administer and fund the</p>	<p>Section 19. Same.</p>

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Sec.	Article 7: Property Taxes	Article 4: Property Tax and Aids & Credits
	<p>improvements and notice of low- or no-cost alternatives must be provided.</p> <p>Effective for assessments payable in 2022 and thereafter.</p>	
29	<p>Petition by all owners. Makes conforming changes related to the petition requirement in section 28.</p> <p>Effective for assessments payable in 2022 and thereafter.</p>	<p>Section 20. Same.</p>
30	<p>Cloquet Fire and Ambulance Special Taxing District. Removes the levy limit for the Cloquet Area Fire and Ambulance Special Taxing District to match the taxing authority allowed for fire protection special taxing districts in the bill.</p> <p>Effective the day after the governing body of the district approves the law through resolution and certifies the approval with the secretary of state.</p>	<p>No comparable provision.</p>
31	<p>Sustainable forest incentive act; violations. Provides that land that was split-classified using the current method for agricultural land while enrolled in SFIA is not in violation of the program.</p> <p>Effective for determinations of violations after June 30, 2021.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p>Section 21. Supplemental 2022 City Aid Distribution. Provides supplemental aid for a city for which the LGA certified for payable 2022 is less than the amount certified for the city in 2021. The amount of supplemental aid for each city is equal to the reduction in LGA between 2021 and 2022. An appropriation from the general fund is provided.</p> <p>Effective for aids payable in calendar year 2022.</p>
32	<p>Repealer. Repeals two sections of statute that define class I manufactured home parks to conform with changes made in section 16.</p> <p>Effective beginning with property taxes payable in 2023.</p>	<p>No comparable provision.</p>

Sec.	Article 8: Aids and Credits	Article 4: Property Tax and Aids & Credits
1	<p>Certified aid adjustments. Deletes obsolete language and provides five years of additional LGA payments to the cities of Floodwood (\$250,000 per year), Staples (\$320,000 per year), and Warren (\$320,000 per year).</p> <p>Effective for aids payable in 2022 and thereafter.</p>	<p>No comparable provision.</p>
2	<p>Cities (LGA appropriation). Increases the city LGA appropriation by \$890,000 per year for five years to cover the aid adjustments in section 1.</p> <p>Effective for aids payable in 2022 and thereafter.</p>	<p>No comparable provision.</p>
3	<p>Counties (county program aid). Transfers the portion of county program aid designated to public defender costs to the Board of Public Defense, rather than the commissioner of management and budget.</p>	<p>No comparable provision.</p>

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Sec.	Article 8: Aids and Credits	Article 4: Property Tax and Aids & Credits
4	<p>Local homeless prevention aid. Creates a new state aid to counties that can be used to fund family homeless prevention and assistance projects and programs. Distributions are based on a rolling three-year average of each county’s percentage share of students experiencing homelessness. The aid would distribute \$25 million annually and sunset after eight years.</p> <p>Effective beginning with aids payable in 2022 and thereafter.</p>	<p>No comparable provision.</p>
5	<p>County relief grants to local businesses; appropriation. Provides \$94.65 million in fiscal year 2022 to counties to be used for grants. Of this amount, \$87.9 million would go to counties to be used for grants to local businesses that have been impacted by the COVID-19 pandemic, \$2 million would go to Lake of the Woods County for grants to businesses located in the Northwest Angle, and \$4.75 million would go to Hennepin County for damage remediation grants to remediate the effects of fires and vandalism that occurred during unrest in the city of Minneapolis and surrounding areas.</p> <p>Effective the day following final enactment.</p>	<p>No comparable provision.</p>

Sec.	Article 9: Local Taxes	Article 8: Local Sales Taxes
1	<p>City of Plymouth; local lodging tax authorized. Extends the expiration date of the local lodging tax imposed by the city of Plymouth to a time determined by the city council when the amounts received from the tax are sufficient to pay bonds that are issued prior to January 1, 2022.</p> <p>Effective the day following final enactment.</p>	<p>No comparable provision.</p>
2	<p>City of Sartell; local taxes authorized. Removes the expiration date of the food and beverage tax imposed by the city of Sartell and amends the referendum requirement to allow the referendum to be held at a general or special election as determined by a resolution adopted by the city’s governing board.</p> <p>Effective the day following final enactment.</p>	<p>Section 1. Same.</p>
3	<p>Carlton County; taxes authorized. Allows Carlton County to impose a 0.5 percent local sales tax to finance \$60 million plus associated bond costs for construction of a law enforcement center and jail.</p> <p>The tax expires the earlier of 30 years or when allowed revenues are raised.</p>	<p>Section 2. Same.</p>
4	<p>City of Cloquet; taxes authorized. Allows the city of Cloquet to impose a 0.5 percent local sales tax to finance \$8,150,200 plus associated bond costs for the Pine Valley Regional Park Project and restoration of the Cloquet Ice Arena.</p> <p>The tax expires the earlier of ten years or when allowed revenues are raised.</p>	<p>Section 3. Same.</p>
	<p>No comparable provision.</p>	<p>Section 4. City of Crosslake. Authorizes the city to impose a 0.5 percent local sales tax to finance up to:</p>

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Sec.	Article 9: Local Taxes	Article 8: Local Sales Taxes
		<p>\$2 million in bonds for modifications to a bio-solids treatment facility;</p> <p>\$1.6 million in bonds for expansion of sewer service to CSAH/66/Moonlight Service Area; and</p> <p>\$2.4 million for expansion of sewer service to Daggett Lake Service Area.</p> <p>Expires at the earlier of 15 years or when sufficient revenues have been raised.</p>
5	<p>City of Edina; taxes authorized. Allows the city of Edina to impose a 0.5 percent local sales tax to finance \$39.3 million plus associated bond costs for development of Fred Richards Park and improvements to Braemar Park.</p> <p>The tax expires the earlier of 19 years or when allowed revenues are raised.</p>	<p>Section 5. Similar. Senate authorizes the tax to finance up to \$2 million plus associated bonding costs for developing park amenities, including recreation and open space areas, and storm water facilities, at Weber Woods Park.</p> <p>Expires at the earlier of 20 years or when sufficient revenues have been raised.</p>
6	<p>City of Fergus Falls; taxes authorized. Allows the city of Fergus Falls to impose a 0.5 percent local sales tax to finance \$13 million plus associated bond costs for construction of an aquatics center and the DeLagoon Improvement Project.</p> <p>The tax expires the earlier of December 31, 2037, or when allowed revenues are raised.</p>	<p>Section 6. Similar.</p> <p>Tax expires at the earlier of December 31, 2039 or when allowed revenues are raised.</p>
	<p>Article 4, section 1. Provides the cost of the project as an LGA distribution of \$250,000/year through aids payable in 2026.</p>	<p>Section 7. City of Floodwood. Authorizes the city to impose a one-half of one percent local sales tax to finance up to \$1.25 million in bonds for Floodwood City-wide Street and Infrastructure Project.</p> <p>Expires at the earlier of 25 years or when sufficient revenues have been raised</p>
7	<p>City of Grand Rapids; taxes authorized. Allows the city of Grand Rapids to impose a 0.5 percent local sales tax to finance \$5.98 million plus associated bond costs for reconstruction and remodeling of the IRA Civic Center.</p> <p>The tax expires the earlier of seven years or when allowed revenues are raised.</p>	<p>No comparable provision.</p>
8	<p>City of Hermantown; taxes authorized. Allows the city of Hermantown to impose an additional 0.5 percent local sales tax to finance \$15.41 million plus associated bond costs for upgrades to the Hermantown Hockey Arena and construction of the Hermantown-Proctor trail.</p> <p>The tax expires the earlier of 16 years or when allowed revenues are raised.</p>	<p>Similar. Authorizes the tax to finance up to \$28 million and includes an additional project: improvements and upgrades to Fichtner Park.</p> <p>Expires at the earlier of 20 years or when sufficient revenues have been raised.</p>
9	<p>Itasca County; taxes authorized. Allows Itasca County to impose a 0.5 percent local sales tax to finance \$75 million plus associated bond costs for the construction of a correctional facility and associated court facilities.</p> <p>The tax expires the earlier of 30 years or when allowed revenues are raised.</p>	<p>Same.</p>
10	<p>City of Litchfield; taxes authorized. Allows the city of Litchfield to impose a 0.5 percent local sales tax to finance \$10 million plus associated bond</p>	<p>Similar. Language is identical except that subdivision 1 provides that the tax is in addition to</p>

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Sec.	Article 9: Local Taxes	Article 8: Local Sales Taxes
	<p>costs for construction of a community wellness and recreation center.</p> <p>The tax expires the earlier of 20 years or when allowed revenues are raised.</p>	<p>any local sales and use tax imposed under any other special law.</p>
<p>11</p>	<p>City of Little Falls; taxes authorized. Allows the city of Little Falls to impose a 0.5 percent local sales tax to finance \$17 million plus associated bond costs for construction of a community recreational facility.</p> <p>The tax expires the earlier of 30 years or when allowed revenues are raised.</p>	<p>Similar. Subdivision 1 provides that the tax is in addition to any local sales and use tax imposed under any other special law.</p> <p>Senate uses “\$17,000,000” instead of “\$17 million.”</p>
<p>12</p>	<p>City of Maple Grove; taxes authorized. Allows the city of Maple Grove to impose a 0.5 percent local sales tax to finance \$90 million plus associated bond costs for expansion and renovation of the Maple Grove Community Center.</p> <p>The tax expires the earlier of 20 years or when allowed revenues are raised.</p>	<p>No comparable provision.</p>
<p>13</p>	<p>Mille Lacs County; taxes authorized. Allows Mille Lacs County to impose a 0.5 percent local sales tax to finance \$10 million plus associated bond costs for construction of a public works building.</p> <p>The tax expires the earlier of eight years or when allowed revenues are raised.</p>	<p>Section 12. Similar. Senate section heading states “Local sales and use tax authorized”; House states “Taxes authorized.”</p>
<p>14</p>	<p>City of Moorhead; taxes authorized. Allows the city of Moorhead to impose a 0.5 percent local sales tax to finance \$31.59 million plus associated bond costs for construction of a regional library and community center.</p> <p>The tax expires the earlier of 22 years or when allowed revenues are raised.</p>	<p>Section 13. Similar. Senate language provides that the tax expires at the earlier of 25 years or when allowed revenues are raised.</p>
<p>15</p>	<p>City of Oakdale; taxes authorized. Allows the city of Oakdale to impose a 0.5 percent local sales tax to finance \$37 million plus associated bond costs for construction of a new public works facility and expansion of the police department.</p> <p>The tax expires the earlier of 25 years or when allowed revenues are raised.</p>	<p>Section 14. Similar. Senate section heading states “Tax authorized”; House heading states “Taxes authorized.”</p> <p>Subdivision 2, clause 2, states that the tax may be used to finance “construction and rehabilitation and associated building costs of the police department facility.” House language states “expansion of the police department facility.”</p> <p>For the termination of taxes in subdivision 4, House language states “costs, including interest costs, related to the issuance of... bonds.” Senate language states “costs related to the issuance of the bonds...”</p>
<p>16</p>	<p>City of St. Cloud; taxes authorized. Allows the city of St. Cloud to impose a 0.5 percent local sales tax to finance \$21.1 million plus associated bond costs for expansion and improvements to the St. Cloud Municipal Athletic Complex.</p> <p>The tax expires the earlier of five years or when allowed revenues are raised.</p>	<p>Section 15. Different. Senate section heading states “Tax authorized”; House heading states “Taxes authorized.”</p> <p>Senate authorizes the same amount for the Municipal Athletic Complex project and authorizes the tax to finance four additional projects:</p> <p>(1) \$21,600,000 plus associated bonding costs for multimodal transportation and utility improvements to East St. Germain Street, Lincoln Avenue, and 4th Street SE;</p>

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Sec.	Article 9: Local Taxes	Article 8: Local Sales Taxes
		<p>(2) \$12,500,000 plus associated bonding costs for multimodal transportation and utility improvements on Heatherwood Road from Clearwater Road to Opportunity Drive;</p> <p>(3) \$23,000,000 plus associated bonding costs for multimodal transportation and utility improvements for a primary gateway for regional access to St. Cloud State University; and</p> <p>(4) \$24,000,000 plus associated bonding costs for multimodal transportation and utility improvements for a regional gateway to St. Cloud's central business district.</p> <p>The tax expires at the earlier of 20 years or when allowed revenues are raised.</p>
17	<p>City of St. Peter; taxes authorized. Allows the city of St. Peter to impose a 0.5 percent local sales tax to finance \$9.121 million plus associated bond costs for construction of a new fire station.</p> <p>The tax expires the earlier of 40 years or when allowed revenues are raised.</p>	<p>Section 16. Same.</p>
	<p>Article 4, section 1. Provides the cost of the project as an LGA distribution of \$320,000/year through aids payable in 2026.</p>	<p>Section 17. City of Staples. Authorizes the city to impose a one-half of one percent local sales tax to finance up to \$1.6 million for renovation of the Staples Community Center.</p> <p>Expires at the earlier of 25 years or when allowed revenues are raised.</p>
18	<p>City of Wadena; taxes authorized. Allows the city of Wadena to impose a 0.5 percent local sales tax to finance \$3 million plus associated bond costs for the Wadena Library Rehabilitation Project.</p> <p>The tax expires the earlier of 20 years or when allowed revenues are raised.</p>	<p>Similar. Senate section header states "Tax authorized"; House states "Taxes authorized."</p>
19	<p>City of Waite Park; taxes authorized. Allows the city of Waite Park to impose a 0.5 percent local sales tax to finance \$27.5 million plus associated bond costs for construction of a public safety facility and regional trail connections.</p> <p>The tax expires the earlier of 19 years or when allowed revenues are raised.</p>	<p>Different. Senate authorizes the tax to finance an additional project: up to \$10 million plus associated bonding costs for the 10th Avenue regional corridor project.</p> <p>The tax expires the earlier of 25 years or when allowed revenues are raised.</p>
	<p>Article 4, section 1. Provides the cost of the project as an LGA distribution of \$320,000/year through aids payable in 2026.</p>	<p>Section 20. City of Warren. Authorizes the city to impose a one-half of one percent local sales tax to finance up to \$1.6 million for a new child care facility.</p> <p>Expires at the earlier of 20 years or when allowed revenues are raised.</p>

Sec.	Article 10: Tax Increment Financing	Article 5: Tax Increment Financing
1	<p>Temporary use of increment authorized. Allows TIF authorities to transfer unobligated increment to the municipality's general fund or directly to a business that was impacted by COVID-19. The transferred increment is limited to the excess of increment that is required to make bond payments or other financial obligations within six months of</p>	<p>No comparable provision.</p>

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Sec.	Article 10: Tax Increment Financing	Article 5: Tax Increment Financing
	<p>the transfers. Transfers may be made through December 31, 2022.</p> <p>Requires the municipality to approve a spending plan and hold a public hearing that discusses the use of transferred increment.</p> <p>Effective for current unobligated increment the day following final enactment for any TIF district.</p>	
2	<p>Expenditures outside district. Expands the activities that are considered to be “in district” activities for housing districts by:</p> <ul style="list-style-type: none"> • allowing increment generated by a housing district to be transferred to a political subdivision’s affordable housing trust fund for uses in conformity with the fund’s policies; • increasing the percentage of increment that an authority may elect to use for expenditures outside of the district’s area from ten percent to 25 percent; and • expanding the types of housing projects eligible for development to include owner-occupied affordable housing. <p>Effective the day following final enactment.</p>	<p>No comparable provision.</p>
3	<p>Five-year rule. Permanently extends the five-year rule to ten years for all redevelopment districts certified after December 31, 2017.</p> <p>Effective the day following final enactment.</p>	<p>No comparable provision.</p>
4	<p>Use of revenues for decertification. Makes a corresponding extension of the six-year rule for districts eligible for the extension in section 3.</p> <p>Effective the day following final enactment.</p>	<p>No comparable provision.</p>
5	<p>City of Bloomington; American Boulevard. Authorizes the creation of a redevelopment district in the city of Bloomington and provides the following special rules:</p> <ul style="list-style-type: none"> • the district is deemed to meet the statutorily required blight findings for establishing a redevelopment district; • increment generated is not required to be spent on correction of blight conditions; and • allows increment to be spent on certain utility infrastructure located within the project area, but outside of the district’s area. <p>Effective upon city approval and filing requirements.</p>	<p>Section 1. Same.</p>
6	<p>City of Bloomington; 98th and Aldrich. Authorizes the creation of a redevelopment district in the city of Bloomington and provides the following special rules:</p> <ul style="list-style-type: none"> • the district is deemed to meet the statutorily required blight findings for establishing a redevelopment district; and • increment generated is not required to be spent on correction of blight conditions. 	<p>Section 2. Same.</p>

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Sec.	Article 10: Tax Increment Financing	Article 5: Tax Increment Financing
	Effective upon city approval and filing requirements.	
7	<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 with the following special rules:</p> <ul style="list-style-type: none"> • the district is deemed to meet the statutorily required blight findings for establishing a redevelopment district; • increment generated is not required to be spent on correction of blight conditions; and • allows increment to be spent on construction and acquisition of property for bridge, tunnel, or other connector and such expenditures are deemed in-district expenditures. <p>Effective upon city approval and filing requirements.</p>	Section 3. Same.
8	<p>City of Fridley; TIF district; special rules. Allows the city of Fridley or its development authority to elect to spend increment outside of the district on certain housing programs. Exempts the district from the five-year rule and six-year rule. Provides this authority until December 31, 2023.</p> <p>Effective upon city approval and filing requirements.</p>	No comparable provision.
9	<p>City of Minnetonka; use of increment authorized. Allows the city of Minnetonka to use increment generated from any redevelopment district in the city for owner-occupied and rental affordable housing projects, and permits the transfer of increment generated from districts to the city’s affordable housing trust fund to be used for purposes outlined by the city’s trust fund policies.</p> <p>Effective upon city approval and filing requirements.</p>	No comparable provision.
10	<p>City of Mountain Lake; TIF district No. 1-8; five-year rule extension. Extends the five-year rule to ten years for TIF District No. 1-8 in the city of Mountain Lake. Makes a corresponding extension of the six-year rule.</p> <p>Effective upon city approval and filing requirements.</p>	Section 4. Same.
	No comparable provision.	<p>Section 5. City of Ramsey; TIF District No. 14; Five-Year Rule Extension. Extends, by an additional five years, the five-year rule for TIF District No. 14 in the city of Ramsey. A conforming change to the six-year rule is also made.</p> <p>Effective upon city approval and filing requirements.</p>
11	<p>City of Richfield; use of increment authorized. Allows the city to use increment generated from any TIF district in the city for owner-occupied and rental affordable housing projects, and permits the transfer of up to 15 percent of increment generated</p>	No comparable provision.

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Sec.	Article 10: Tax Increment Financing	Article 5: Tax Increment Financing
	<p>from redevelopment districts in the city to the city’s affordable housing trust fund to be used for purposes outlined by the city’s trust fund policies.</p> <p>Effective upon city approval and filing requirements.</p>	
12	<p>City of St. Louis Park; use of increment authorized. Allows a district that has elected to increase the percentage of permitted expenditures outside of the district for housing development to use the increment for other types of housing projects such as low-income owner-occupied projects in addition to low-income housing projects as defined by section 42 of the IRC.</p> <p>Permits the transfer of increment generated from housing development to the city’s affordable housing trust fund to be used for purposes outlined by the city’s trust fund policies.</p> <p>Effective upon city approval and filing requirements.</p>	<p>No comparable provision.</p>
13	<p>City of Wayzata; TIF district No. 6. Authorizes the city of Wayzata to spend increment generated by TIF District No. 6 on construction of a lakefront pedestrian walkway and public access infrastructure related to the Panoway on Wayzata Bay project. Allows the expenditure of increment for this project to be considered an in-district expenditure.</p> <p>Effective upon city approval and filing requirements.</p>	<p>Section 6. Same.</p>
14	<p>City of Windom; TIF district No. 22; five-year rule extended. Extends the five-year rule to ten years for TIF District 1-22 in the city of Windom. Also makes a corresponding extension of the six-year rule.</p> <p>Effective upon city approval and filing requirements.</p>	<p>Section 7. Same. Senate combines five-year rule extension and duration extension into one section. Effective upon city approval and filing requirements, except that the duration extension requires approval by the city, county, and school district.</p>
15	<p>City of Windom; TIF district 1-22; duration extension. Extends the duration of TIF District 1-22 in the city of Windom by five years.</p> <p>Effective upon approval by the city, county, and school district.</p>	<p>Section 7. Same. Senate combines five-year rule extension and duration extension into one section. Effective upon city approval and filing requirements, except that the duration extension requires approval by the city, county, and school district.</p>
	<p>No comparable provision.</p>	<p>Section 8. Affordable Housing Development Tax Assistance Report. Requires the commissioner of revenue, in consultation with the Minnesota Housing Finance Agency, the Minnesota State Auditor, the League of Minnesota Cities, and the Association of Minnesota Counties, to issue a report to the legislature by January 31, 2022, on affordable housing projects paid for in whole, or in part, by tax increment or through a city or county housing trust fund for local housing development. An accounting of all authorized expenditures from each established housing trust fund is also required.</p> <p>Effective the day following final enactment.</p>

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Sec.	Article 11: Public Finance	Article 6: Public Finance
1	Allocation; termination. Allows counties to use funds generated by county transportation sales taxes for payment of capital costs of construction buildings and other facilities used for maintaining transportation or transit projects.	Section 1. Same.
2	Exercising powers of a municipal power agency. Allows municipal gas agencies to engage in electric prepayment transactions.	Section 2. Same.
3	All other powers. Renumbers existing subdivision due to the change in section 2.	Section 3. Same.
4	Installment; lease purchase; city, county, town, school. Clarifies that installment contracts that local governments use to purchase real or personal property are not to be included in the calculation of the local government’s net debt if the amount is under \$1 million.	Section 4. Same.
5	Interest rate. Deletes outdated and confusing terminology relating to the interest rate of municipal debt.	Section 5. Same.
6	Street reconstruction and bituminous overlays. Allows municipalities to use street reconstruction bond proceeds to construct bicycle lanes, sidewalks, and paths that are incidental to street reconstruction. This provision aligns the statute with current practice.	Section 6. Same.
7	Advertisement. Deletes outdated and confusing terminology relating to the interest rate of municipal debt.	Section 7. Same.
8	Escrow account securities. Updates the list of permissible investments for escrow accounts for refunding bonds to reflect the consolidation of various banks into the Farm Credit System and provides examples of permitted securities.	Section 8. Same.
9	Repealer. Repeals overlapping and contradictory language regarding the sale of port authority property.	Section 9. Same.

Sec.	Article 12: Tax Expenditure Review	
1	Requirement for new or renewed tax expenditures. Requires any bill creating a new tax expenditure or extending an expiring tax expenditure to sunset after eight years. Effective for the 2022 legislative session.	No comparable provision.
2	Director; staff. Requires the Legislative Budget Office (LBO) to provide technical and professional assistance to the Tax Expenditure Review Commission established in section 3 of the bill.	No comparable provision.
3	Tax Expenditure Review Commission. Subd. 1. Establishment. Establishes a Tax Expenditure Review Commission to review Minnesota’s tax expenditures, and evaluate their effectiveness and fiscal impact. Subd. 2. Definitions. Defines the terms “significant tax expenditure,” “tax,” and “tax expenditure” by	No comparable provision.

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Sec.	Article 12: Tax Expenditure Review	
	<p>cross-reference to the definitions in section 6 of the bill.</p> <p>Subd. 3. Membership. Establishes the membership for the commission.</p> <p>Subd. 4. Duties. Establishes the duties for the commission. During the first three years after the commission is established, it must complete an initial review of the state’s tax expenditures to identify purpose statements and metrics for evaluating each expenditure. After the period of initial review, the commission must review and evaluate Minnesota’s tax expenditures on a regular, rotating basis. Before December 1 of each year the commission issues a report reviewing an expenditure, it must hold a public hearing on the expenditure.</p> <p>Subd. 5. Components of review. Describes the process for evaluating a tax expenditure.</p> <p>Subd. 6. Department of Revenue; research support. Requires the DOR research department to provide research support to the commission.</p> <p>Subd. 7. Report to legislature. Requires the commission to submit a report to the legislature by December 15 of each year. Requires the legislative tax committees to hold a public hearing on the report.</p> <p>Subd. 8. Terms; vacancies. Establishes two-year terms for the commission, and provides rules for filing vacancies.</p> <p>Subd. 9. Officers. Requires the commission to elect a chair and vice-chair as presiding officers. The chair and vice-chair must not be from the same chamber.</p> <p>Subd. 10. Staff. Requires LBO to provide professional and technical assistance to the commission, including assistance with the annual report.</p> <p>Subd. 11. Expenses. Requires commission and staff to be reimbursed for expenses, in accordance with Legislative Coordinating Commission (LCC) policies.</p>	
4	Tax Expenditure Review Commission disclosure. Requires DOR to disclose to the commission the data that is required in subdivision 6 of section 3.	No comparable provision.
5	DOR tax expenditure budget due date. Changes the due date for the DOR Tax Expenditure budget from February 1 to November 1 of each even-numbered year.	No comparable provision.
6	Tax expenditure budget contents. Requires the DOR tax expenditure budget to include new items.	No comparable provision.
7	Definitions. Defines the following terms: “business tax credit,” “pass-through entity,” and “significant tax expenditure.”	No comparable provision.
8	DOR tax incidence report due date. Changes the due date for the Department of Revenue tax	No comparable provision.

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Sec.	Article 12: Tax Expenditure Review	
	incidence report from March 1 of each odd-numbered year to March 1, 2024, and each even-numbered year thereafter.	
9 - 15	Tax expenditure purpose statements established. Sections 9 to 15 establish purpose statements for tax expenditures created, renewed, or continued in the bill. It additionally includes purpose statements for certain tax expenditures that were enacted without purpose statements since the requirement in section 3.192 was enacted.	No comparable provision.
16	Tax Expenditure Review Commission appropriation. Appropriates funds to the LCC and DOR to establish the review commission established in the article. The LCC appropriation is \$36,000 in fiscal year 2022 and \$766,000 in fiscal year 2023. The appropriation to DOR is \$148,000 in fiscal year 2023.	No comparable provision.

Sec.	Article 13: Miscellaneous Tax Provisions	Article 9: Miscellaneous
1	Taxpayer receipt established. Requires Minnesota Management and Budget (MMB) to publish and annually update an interactive taxpayer receipt on its website.	No comparable provision.
2	Additional revenues; priority. Requires the reduction of the percentage of accelerated June sales tax liabilities of certain businesses if there is a budget surplus determined by a November forecast. The reduction in percentage is priority number six for the allocation of additional revenues in a surplus situation. The percentage will only be reduced if the other five priorities are met first. Requires the commissioner of management and budget to certify the reduced percentage to the commissioner of revenue by March 15 annually, and requires the commissioner of revenue to certify the percentage to stakeholders by April 15 annually. Effective July 1, 2021.	Article 3, section 1. Different. Senate increases budget reserve account amount to \$2.377 billion. Senate proposal does not include reduction in June accelerated remittance requirement for cigarette or tobacco products taxes under section 297F.09 or for alcoholic beverage taxes under section 297G.09. Senate requires commissioner of revenue to certify June accelerated percentage by March 1 annually. Effective July 1, 2021.
3	Revenue recapture; nonprofit hospitals. Disallows nonprofits hospitals that lease their building from the county or city in which they are located from participating in the state’s revenue recapture. Effective the day following final enactment.	Section 1. Private Nonprofit Hospital; Revenue Recapture. Provides that private nonprofit hospitals that are eligible for participation in the revenue recapture program must annually provide the Department of Revenue with a copy of the hospital’s lease agreement. Effective the day following final enactment.
	No comparable provision.	Section 2. Background check; access to federal tax information. Requires that individuals performing services for an independent vendor or independent contractor authorized to have access to federal tax data must undergo a background check as provided under section 6. Effective the day following final enactment.
	No comparable provision.	Section 3. Private letter rulings. Subd. 1. Program established. Requires the commissioner of revenue to establish a program to issue private letter rulings to taxpayers to provide

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Sec.	Article 13: Miscellaneous Tax Provisions	Article 9: Miscellaneous
		<p>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 an unspecified amount, 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> <p>Effective the day following final enactment, except that the first legislative report under subdivision 5 is due January 24.</p>
	<p>No comparable provision.</p>	<p>Section 4. Counties. Modifies the allocation of the production tax paid to counties by eliminating a 5-cent increase that was set to begin with distributions in 2024.</p> <p>Effective the day following final enactment.</p>
	<p>No comparable provision.</p>	<p>Section 5. Taconite environmental fund. Increases, by 5 cents, the allocation of the production tax paid to the taconite environmental protection fund beginning with distributions in 2024.</p> <p>Effective the day following final enactment.</p>
	<p>No comparable provision.</p>	<p>Section 6. Background check; access to federal tax information.</p>

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Sec.	Article 13: Miscellaneous Tax Provisions	Article 9: Miscellaneous
		<p>Subd. 1. Definitions. Provides definitions used in this section. In particular:</p> <p>IRS publication 1075 means the publication that provides guidance on tax information security guidelines for federal, state, and local agencies;</p> <p>National criminal history record information means FBI identification records as defined under federal regulations; and</p> <p>Requesting agency means the Department of Revenue, Department of Employment and Economic Development, Department of Human Services, board of directors of MNsure, the Office of MN.IT Services, and counties.</p> <p>Subd. 2. National criminal history record information check. Provides that a requesting agency must require fingerprints for a national criminal history record information (CHRI) check from specified individuals who have or will have access to federal tax information.</p> <p>Subd. 3. Fingerprint submission and written statement of understanding. Requires an individual subject a CHRI check to provide to the requesting agency fingerprints and a statement of understanding that the fingerprints will be used for a background check. The requesting agency must submit the fingerprints and written statement of understanding to the Bureau of Criminal Apprehension (BCA), which must use the fingerprints only for the purposes designated in this section.</p> <p>Subd. 4. Bureau of Criminal Apprehension requirements. Provides that after the BCA receives approval from the U.S. Attorney General to exchange CHRI with officials of state and local governmental agencies, the BCA must notify the requesting agency of the approval. The requesting agency may then submit fingerprints and statement of understanding to the BCA, which is required to:</p> <ul style="list-style-type: none"> • perform the state CHRI search; • exchange the fingerprints to the FBI for purposes of a national CHRI check; • compile the results of the state and national CHRI searches; and • provide the results to the requesting agency. <p>Subd. 5. Classification of data. Classifies all data related to background checks as private data. Prohibits requesting agencies from further disseminating the results of a background check. Effective the day following final enactment.</p>
4	<p>Taxpayer receipt notice. 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>No comparable provision.</p>
5	<p>Sales and use tax. Reduces the percentage of accelerated June sales tax liabilities of certain businesses in accordance with section 2.</p>	<p>Article 3, section 2. Similar. Different requirements related to June liability (see paragraph (c)).</p>

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Sec.	Article 13: Miscellaneous Tax Provisions	Article 9: Miscellaneous
	<p>Requires the expiration of the June accelerated payment for sales and use tax liabilities after the percentage is reduced to zero.</p> <p>Effective for estimated payments made after July 1, 2021.</p>	
6	<p>Accelerated payment of June sales tax liability; penalty for underpayment. Adjusts the threshold for the imposition of penalties for the underpayment of accelerated June sales tax liabilities to the percentage as determined under section 2.</p> <p>Requires this provision to expire once the percentage is reduced to zero.</p> <p>Effective for estimated payments made after July 1, 2021.</p>	<p>No comparable provision.</p>
7	<p>Homestead credit refund increase. Increases the maximum homestead credit refund by \$250 for claimants at most income levels. The amount of the increase is \$200, \$150, \$100, and \$50 for the four highest income ranges eligible for the credit.</p> <p>Effective for refunds payable in 2022 (based on 2021 incomes and property taxes paid in 2022).</p>	<p>No comparable provision.</p>
8	<p>Renter’s credit increase. Reduces co-pay percentages for the renter’s credit by five percent to 15 percent.</p> <p>Effective for refunds payable in 2022 (based on 2021 incomes and rent paid).</p>	<p>No comparable provision.</p>
9	<p>Appropriation; general reserve account. Prohibits appropriations to the stadium reserve account once the account reaches \$100 million.</p>	<p>No comparable provision.</p>
10	<p>Accelerated tax payment; cigarette or tobacco products distributor. Makes a corresponding reduction of the percentage of accelerated June cigarette and tobacco tax liabilities for distributors in accordance with the percentage reduction made in section 2.</p> <p>Removes references to calendar year 2020 since the relevant time periods for 2020 have already passed and reorganizes provisions for clarity and readability.</p> <p>Requires the expiration of the June accelerated payment after the percentage is reduced to zero.</p> <p>Effective for estimated payments made after July 1, 2021.</p>	<p>No comparable provision.</p>
11	<p>Tax and use tax on cigarettes. Creates the tobacco use prevention and cessation account in the special revenue fund and appropriates \$15 million annually to the commissioner of health to be deposited in this account from the proceeds of the taxes imposed on cigarettes.</p> <p>Requires funds in the account to be used for tobacco use prevention and cessation projects, with priority given to projects aimed at preventing youth use of tobacco and vapor products.</p> <p>This appropriation sunsets in fiscal year 2029.</p>	<p>Article 3, section 10. Similar. Senate appropriates \$5 million in fiscal year 2022 only.</p>

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Sec.	Article 13: Miscellaneous Tax Provisions	Article 9: Miscellaneous
12	<p>Accelerated tax payment; penalty. Makes a corresponding reduction of the percentage of accelerated June liquor tax liabilities for distributors in accordance with the percentage reduction made in section 2.</p> <p>Removes references to calendar year 2020 since the relevant time periods for 2020 have already passed and reorganizes provisions for clarity and readability.</p> <p>Requires the expiration of the June accelerated payment after the percentage is reduced to zero.</p> <p>Effective for estimated payments made after July 1, 2021.</p>	<p>No comparable provision.</p>
13	<p>Definitions – tourism improvement districts. This section provides various definitions for use in the proposed new tourism improvement district chapter of Minnesota Statutes.</p> <p>Effective date: Day following final enactment.</p>	<p>No comparable provision.</p>
14	<p>Establishment of tourism improvement district. Authorizes a municipality to establish by ordinance a tourism improvement district (TID) and establishes guidelines related to notice, ownership, fees, hearings, and appeals. Effective date: day following final enactment.</p>	<p>No comparable provision.</p>
15	<p>Service charge authority; notice; hearing requirement. Allows a service charge to be imposed by the municipality for TID improvements and requires an annual hearing on the continuation of the charge.</p> <p>Effective date: Day following final enactment.</p>	<p>No comparable provision.</p>
16	<p>Modification of ordinance. Allows a TID to be modified by petition and establishes guidelines and a process for modification.</p> <p>Effective date: Day following final enactment.</p>	<p>No comparable provision.</p>
17	<p>Collection of service charges; penalties. Allows service charges, penalties, and interest to be collected by the municipality, tourism improvement association, or other designated entity.</p> <p>Effective date: Day following final enactment.</p>	<p>No comparable provision.</p>
18	<p>Tourism improvement association. Requires a tourism improvement association to be created by ordinance and be composed of fee-paying property owners.</p> <p>Effective date: Day following final enactment.</p>	<p>No comparable provision.</p>
19	<p>Petition required. Requires that tourism improvement districts can only be established by petition.</p> <p>Effective date: Day following final enactment.</p>	<p>No comparable provision.</p>
20	<p>Veto power of owners. Allows and provides for the manner in which business owners may veto the ordinance establishing a district.</p> <p>Effective date: Day following final enactment.</p>	<p>No comparable provision.</p>

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Sec.	Article 13: Miscellaneous Tax Provisions	Article 9: Miscellaneous
21	<p>Disestablishment. Annually requires a 30-day period in which the district may be disestablished by petition, following a notice and hearing.</p> <p>Effective date: Day following final enactment.</p>	<p>No comparable provision.</p>
22	<p>Coordination of districts. Prohibits counties and cities and towns from creating overlapping districts in the same geographical area.</p> <p>Effective date: Day following final enactment.</p>	<p>No comparable provision.</p>
23	<p>Workforce and affordable homeownership development program. Amends the workforce and affordable homeownership development program to allow the commissioner of the Minnesota Housing Finance Agency to provide loans for workforce and affordable homeownership projects.</p> <p>Establishes a workforce and affordable homeownership development account in the housing development fund to provide supplemental funding to the program.</p> <p>Appropriates \$15 million annually from the proceeds of the mortgage registry and deed taxes to the commissioner of the Minnesota Housing Finance Agency for transfer into the workforce and affordable homeownership development account. This appropriation sunsets in fiscal year 2029.</p> <p>Effective July 1, 2021.</p>	<p>No comparable provision.</p>
24	<p>4d affordable housing programs report. Requires the commissioner of revenue, in consultation with Minnesota Housing, to produce a report on class 4d property and on local 4d affordable housing programs. The report must include information on the number of 4d units and the property tax impacts of the 4d classification on these units. It must also contain an analysis of the impact of reducing the classification rate of the first-tier of 4d property to 0.25 percent. The report must be completed by January 15, 2022.</p> <p>Effective the day following final enactment.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p>Section 7. 2008 Distribution Transfer; City of Biwabik Street and Highway Improvements. Directs St. Louis County to transfer \$1,500,000 from a 2006 appropriation to the city of Biwabik for certain street and highway projects. Any remaining unspent money from the 2006 appropriation shall be retained by St. Louis County for road improvements.</p> <p>Effective the day following final enactment.</p>
25	<p>Budget reserve reduction. Reduces the balance in the budget reserve account by \$150 million.</p>	<p>No comparable provision.</p>
26	<p>Appropriations; fire remediation grants. Provides a onetime appropriation from the general fund in fiscal year 2022 to the commissioner of revenue to make grants to the cities of Alexandria and Melrose to cover costs of remediation efforts after fires in both cities.</p>	<p>No comparable provision.</p>

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Sec.	Article 13: Miscellaneous Tax Provisions	Article 9: Miscellaneous
	<p>The city of Alexandria will receive \$120,000 and the city of Melrose will receive \$643,729.</p> <p>The commissioner of revenue must pay the amounts above to the cities by July 20, 2021.</p>	
27	<p>Department of Revenue free filing report. Requires DOR to submit a report to the legislature on free electronic filing options for the individual income tax.</p> <p>Appropriates \$175,000 to DOR in fiscal year 2022 for the report.</p>	No comparable provision.
28	<p>Appropriation; taxpayer receipt. Appropriates \$100,000 in fiscal year 2022 to MMB to develop the taxpayer receipt. The base for the appropriation is \$47,000 in future years. Appropriates \$19,000 to DOR for the cost of providing information related to the receipt.</p>	No comparable provision.
	No comparable provision.	<p>Section 8. Conditional repealer. Repeals the backup stadium financing mechanisms (tax on suites and sports-themed lottery game) upon notification by the commissioner of management and budget that the stadium financing bonds have been redeemed or defeased.</p>

Sec.	Article 14: Department of Revenue Policy and Technical: Individual Income and Corporate Franchise Taxes	
1	<p>Composite income tax returns for nonresident partners, shareholders, and beneficiaries. Clarifies that the taxable income computed for purposes of composite returns includes the modifications for foreign income.</p> <p>Effective retroactively for taxable years beginning after December 31, 2015.</p>	No comparable provision.
2 , 4 -11, 13	<p>Withholding. Amends withholding statutes to refer to withholding exemptions as withholding allowances consistent with conforming federal law. Also amends the state’s withholding rules so that withholding allowances are based on newly codified state definitions for the standard deduction (including the additional amount for the blind and seniors), dependent exemption, and itemized deductions. Provides the commissioner with discretion to adjust withholding.</p> <p>Effective for taxable years after December 31, 2020.</p>	No comparable provision.
3	<p>Inflation adjustment. Removes superfluous language regarding the rounding of the inflation adjustment.</p> <p>Effective the day following final enactment.</p>	No comparable provision.
12	<p>Miscellaneous withholding arrangements. Requires that a financial institution withhold Minnesota income tax on any periodic payment or nonperiodic distribution for Minnesota residents, unless the Minnesota resident requests that the financial institution not withhold.</p>	No comparable provision.

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Sec.	Article 14: Department of Revenue Policy and Technical: Individual Income and Corporate Franchise Taxes	
	Effective for payments and distributions made after December 31, 2021.	
14	<p>Special limited adjustment. Clarifies that the special limited adjustment applies to individuals, estates, and trusts.</p> <p>Effective retroactively for taxable years beginning after December 31, 2017, and before January 1, 2019.</p>	No comparable provision.

Sec.	Article 15: Department of Revenue Policy and Technical: Property Taxes and Local Government Aids	
1	<p>Board of Assessors reports. Combines separate reports to the governor and the legislature into a single report containing the same information required under current law.</p> <p>Effective for reports issued in 2022 and thereafter.</p>	No comparable provision.
2	<p>Board of Assessors fees. Removes the fee for record retention by the Board of Assessors.</p> <p>Effective the day following final enactment.</p>	No comparable provision.
3 - 4	<p>Definitions. Clarifies that the construction date of a wind energy conversion system, or a solar energy generating system, is not altered if the system is replaced, repaired, or otherwise maintained or altered.</p> <p>Effective the day following final enactment.</p>	No comparable provision.
5	<p>Notification of tax. Allows the commissioner to correct clerical errors until December 31.</p> <p>Effective the day following final enactment.</p>	No comparable provision.
6	<p>Assessor powers and duties. Clarifies that the “powers and duties” performed by a city assessor in a county having a city of the first class are the powers and duties identified in section 273.061, subdivision 8.</p> <p>Effective the day following final enactment.</p>	No comparable provision.
7	<p>Assessor education. Specifies that licensed assessors must complete 30 hours of education on Minnesota laws, assessment administration, and administrative procedures, which may be spread out over every four-year licensing cycle, rather than mandating completion of a single weeklong course on these topics.</p> <p>Effective retroactively for the four-year licensing period starting on July 1, 2020, and thereafter.</p>	No comparable provision.
8 , 9, 11	<p>Lake Vermilion-Soudan Underground Mine State Park PILT. Amends payment in-lieu of taxes (PILT) references to include a cross-reference to the Lake Vermilion-Soudan Underground Mine State Park PILT statute.</p> <p>Effective the day following final enactment.</p>	No comparable provision.

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Sec.	Article 15: Department of Revenue Policy and Technical: Property Taxes and Local Government Aids	
10	<p>Exemptions. Allows an exemption for mortgage loans made under a low or moderate income housing program if the assignee of the mortgage is a governmental agency. Currently, the governmental agency must be listed as the mortgagee for the exemption to apply.</p> <p>Effective for mortgages recorded after June 30, 2021.</p>	No comparable provision.

Sec.	Article 16: Department of Revenue Policy and Technical: Sales and Use Taxes	
1	<p>Accelerated tax payments. Technical change to match the June accelerated sales tax payment percentages in two paragraphs of section 289A.20, subdivision 4.</p> <p>Effective the day following final enactment.</p>	No comparable provision.
2	<p>Liquor gross receipts tax. Clarifies that a liquor retailer may collect the liquor gross receipts tax from the purchaser and the tax is excluded from sales price for purposes of sales tax if separately stated on the receipt given to the purchaser.</p> <p>Effective the day following final enactment.</p>	No comparable provision.
3	<p>Marketplace provider liability. Clarifies that marketplace provider is deemed to be the retailer or seller for all retail sales the marketplace provider facilitates.</p> <p>Effective the day following final enactment.</p>	No comparable provision.
4	<p>Repealer. Repeals existing rules requiring local units of government whose tax is administered by DOR to pay for new computer system development costs.</p> <p>Effective the day following final enactment.</p>	No comparable provision.

Sec.	Article 17: Department of Revenue Policy and Technical: Special Taxes	
1	<p>Special fuel dealers. Clarifies that “fuel dealer” refers to “special fuel dealer” as defined in section 296A.01, subdivision 47.</p> <p>Effective the day following final enactment.</p>	No comparable provision.
2 , 7	<p>Refusal to issue or renew; revocation. Adds convictions for any crimes involving tobacco products to the list of reasons the commissioner must not issue or renew a license under chapter 297F.</p> <p>Effective the day following final enactment.</p>	No comparable provision.
3 , 6	<p>Accelerated tax payments. Reorganizes sections 297F.09, subdivision 10, and 297G.09, subdivision 9, for readability and clarity. Removes references to calendar year 2020 since the relevant time periods for 2020 have already passed.</p>	No comparable provision.

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Sec.	Article 17: Department of Revenue Policy and Technical: Special Taxes	
	Effective for estimated payments required to be made after the date following final enactment.	
4	Retailer and subjobber to preserve purchase invoices. Requires cigarette and tobacco product retailers and subjobbers to preserve a legible copy of each purchase invoice for one year from the date of the invoice or as long as the cigarette or tobacco product listed on the invoice is available for sale or in their possession, whichever period is longer. Effective for all cigarette and tobacco products available for sale or in a retailer or subjobber’s possession after December 31, 2021.	No comparable provision.
5	Sufficiency of notice. Deletes unnecessary language in section 297F.17, subdivision 1. Effective for notices of tax assessment issued after the date of final enactment.	No comparable provision.

Sec.	Article 18: Department of Revenue Policy and Technical: Miscellaneous	
1	Adjustment; definition; period; rounding. Corrects the statutory year calculation of inflation for the property tax refund chapter. Effective retroactively for property tax refunds based on property taxes payable in 2020, and rent paid in 2019.	No comparable provision.
2	Paid preparer; depositing client refunds. Clarifies that a paid tax preparer may not take control or ownership of a client’s tax refund regardless of the manner in which the refund is paid. Effective the day following final enactment.	No comparable provision.