

**Subject** Revenue recapture for nonprofit hospitals and ambulance services

**Authors** Reyer and others

**Analyst** Sean Williams

**Date** February 19, 2021

## Summary

The Minnesota Department of Revenue (DOR) operates a program called revenue recapture, under which DOR takes refunds owed to individuals and applies them to debts the individuals owe to the state or other organizations.

DOR recaptures the following categories of state payments to individuals: income tax refunds, political contribution refunds, property tax refunds, lottery winnings of \$600 or more, Sustainable Forest Incentive Act payments, and claims paid by the state legislature.

The recapture process is initiated when an eligible agency submits a request for collection to DOR. The agency must also inform the debtor of the agency's right to a refund.

If DOR determines that a refund is due to the debtor, the agency will remit the money owed to the agency, and provide the debtor with information about the amount applied against the debtor's obligation. Debtors may contest a recapture claim in a contested case hearing.

Private nonprofit hospitals that lease a building from the county or city in which they are located and ambulance service licensed under chapter 144E are eligible "claimant agencies" for the purpose of the revenue recapture program. As a result, those hospitals and ambulance services may make revenue recapture requests to DOR.

H.F. 363 would prohibit such hospitals and ambulance services from making revenue recapture claims.