

BILL COMPARISON SUMMARY of

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Sec.	Article 1: Income and Franchise Taxes	Article 1: Income, Corporate and Estate Taxes
1	<p>Long-term care savings plan. Establishes a tax exempt savings plan for long-term care expenses. Contributions to the plan would be tax deductible and investment earnings on accounts would be tax exempt (Minnesota-only, federal income taxes would continue to apply), if they are used to pay for long-term care insurance premiums or long-term care expenses. Amounts used for other purposes would be subject to both Minnesota income tax and a 10-percent penalty. A \$200,000 contribution limit applies to each participant in the plan. This limit is indexed for inflation.</p> <p>Effective date: Day following final enactment</p>	No comparable provision
		Section 1. Powers of commissioner. Changes a cross-reference to conform to section 2.
2	<p>Health carrier and health plan requirements; participation. Requires health carriers offering coverage through MNsure to provide premium advances to qualified individuals eligible for a state tax credit under section 15, equal to the amount of the tax credit. Requires qualified individuals receiving a premium advance to repay the full amount of the advance, by April 15 of the year following the coverage year for which the premium advance was provided. Requires the MNsure eligibility system to automatically notify health carriers if an enrollee is eligible for a state tax credit, and the amount of the tax credit. Effective for tax year 2016.</p>	No comparable provision
3	<p>Small business investment credit; allocation. Changes the annual allocation for the angel investment credit from \$15 million to \$18 million for tax years 2015 and 2016 and extends the availability of the credit through tax year 2018. Reserves 50 percent of the available credit amount for investments in Greater Minnesota and women- and minority-owned businesses.</p>	No comparable provision
4	<p>Small business investment credit; sunset. Extends the sunset of the angel investment credit through tax year 2018, reflecting the additional allocations authorized in section 3.</p>	No comparable provision
5	<p>Technology corporate tax benefit refund program. Establishes a technology corporate tax benefits refund program that allows new and expanding biotechnology and technology companies to receive a refund equal to the potential tax benefit of their NOL carryovers.</p> <p>Definitions. Defines the following terms:</p> <ul style="list-style-type: none"> • “Biotechnology” – is defined as knowledge, products, and technology related to biological systems. • “Biotechnology company” – is a corporation with a Minnesota headquarters and proprietary intellectual property that engages in research, development, or production of biotechnology for commercial or public purposes. 	No comparable provision

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	<ul style="list-style-type: none"> • “Full-time employee” – is defined as an employee of or a partner of a new or expanding technology or a biotechnology company who works at least 35 hours per week and who receives group health benefits from the biotechnology company. The term excludes independent contractors and consultants who are not employees. • “New or expanding” – is defined as biotechnology company with fewer than 250 full-time employees on June 30th of the year and at least one full-time employee for a corporation that has been incorporated less than three years, or at least five full-time employees for corporations incorporated for more than three but less than five years, or at least ten employees for all other corporations. • “Technology company” – is defined as a corporation that has its headquarters or base of operations in the state and owns proprietary intellectual property and employs highly educated or trained employees who use sophisticated scientific research service or production equipment, processes, or knowledge to discover, develop, test, transfer, or manufacture a product or service. <p>Qualifying corporations and computation of the tax benefit. Biotechnology or technology companies seeking to obtain refunds for their NOL carryovers must apply to and obtain approval from DEED to do so. The corporation must certify that it intends to continue operating in the state and DEED can require the corporation to enter a written agreement regarding maintenance of its headquarters or base of operations in the state or other conditions. A \$5 million lifetime limit applies to the amount of tax benefits that each corporation can sell/transfer. A corporation may not obtain a tax refund if:</p> <ul style="list-style-type: none"> • It had positive net operating income in either of the two previous years for financial reporting purposes; or • It is 50 percent or more owned or controlled by another corporation that had positive net operating income in either of the two previous years for financial reporting purposes. <p>The tax benefit or refund amount is calculated by multiplying the NOL carryover by the corporation’s Minnesota apportionment percentage (i.e., the percentage used to determine what share of its income is subject to Minnesota tax) and by 9.8 percent, the statutory tax rate. The resulting amount is then allowed as a refundable credit.</p> <p>Annual limit. The total amount of the tax benefits that may be surrendered in any fiscal year is limited to \$15 million. If the applied for amount exceeds</p>	

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	<p>the cap, DEED is to allocate the tax benefits as follows to ensure that the total amount is within the annual limit:</p> <ul style="list-style-type: none"> • Applicants to surrender \$250,000 or less receive the full amount. • Applicants for more than \$250,000 receive \$250,000 and all applications for amounts over \$250,000 are proportionately reduced to keep the total within the \$60 million limit. If the reduction of amounts over \$250,000 is insufficient, then all amounts would be proportionately reduced. <p>Recapture. DEED is directed to establish rules for recapture of all or a part of the tax benefits for corporations that fail to use the tax benefits as required (e.g., under an agreement required by DEED) or that fail to maintain headquarters or base of operations in Minnesota.</p>	
	No comparable provision	<p>Section 2. Greater Minnesota internship program. Removes the requirements that the employer certify that it would not have hired the intern without the internship credit, and that an internship required as part of an academic program does not qualify for the credit. Effective beginning in tax year 2015.</p>
	No comparable provision	<p>Section 3. Economic substance; tax benefits. Authorizes the commissioner to disallow the tax effects of an income or corporate franchise tax transaction that does not have economic substance. Effective beginning in tax year 2016.</p>
	No comparable provision	<p>Section 4. Economic substance; definition. Defines a transaction as having economic substance only to the extent that the transaction changes the taxpayer's economic position in a meaningful way, apart from tax effects, and that the taxpayer has a substantial purpose for entering into the transaction, apart from tax effects. Effective beginning in tax year 2016. Requires the commissioner to provide guidance on how the economic substance provisions will be applied, including types of transactions that would and would not be challenged. Requires the commissioner to issue rules defining relevant terms and publish departmental procedures for applying the economic substance provisions. Effective the day following final enactment.</p>
6	<p>Update of administrative tax provisions. Adopts federal tax administrative changes made between December 31, 2014, and April 1, 2015. The federal law enacted in that time period does not change federal provisions referenced in chapter 289A.</p> <p>Effective date: Effective the day following final enactment.</p>	<p>Section 5. Same</p>
7	<p>Information reporting; charity care. Allows medical professionals, dentists, chiropractors, and their employers to file informational reports with the Department of Revenue documenting the value of charity care they provided during the tax year.</p>	No comparable provision
	No comparable provision	<p>Section 6. Financial institution definition. Modifies the definition of "financial institution" to</p>

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		include any entity registered as a bank, savings association, or other similar organization under state or federal law. Entities and individuals who derive 50 percent or more of their income from activities commonly conducted by financial institutions would also be treated as financial institutions unless they provide clear and convincing evidence to the commissioner that they do not substantially compete with financial institutions in the market. Effective beginning in tax year 2015.
8	Residency determination. Modifies both the statutory residency test and the domicile test under the individual income tax in two ways:	Section 7. Residence.
	The statutory residency test provides that an individual who maintains a permanent dwelling in Minnesota and is physically present in the state for 183 days or more in a calendar year is a resident for income tax purposes. This section provides that days spent in Minnesota for the primary purpose of receiving medical treatment (by the taxpayer, spouse, child, or parent) do not count as Minnesota days. Effective beginning in tax year 2015.	Same with regard to the changes related to medical treatment and the statutory residency test, and have the same effective date.
	The domicile test provides that an individual is a Minnesota resident for income tax purposes if the individual intends to make Minnesota his or her permanent home. This section modifies the domicile test so that DOR or a court, in determining where the individual intends his or her permanent home to be, cannot consider the location of <ul style="list-style-type: none"> • The individual’s attorney, certified public accountant, or financial advisor; and • The place of business of a financial institution where the individual opened or maintains an account For example, using a Minnesota or an out-of-state lawyer would not be relevant evidence of the taxpayer’s intent as to the location of his permanent home state. Defines “financial advisor” as a financial institution or individual engaged in business as a certified financial planner, registered investment adviser, licensed insurance agent, or securities broker-dealer. Effective beginning in tax year 2015.	Similar with regard to the domicile test. Senate has the same definition of “financial institution”, but defines “financial advisor” as an individual, financial institution, or other firm engaged in the business of providing services related to trust and estate administration; financial advice and budgeting; investment selection or allocation; or purchase of life, disability, long-term care, annuities, or similar insurance products; and includes certified financial planners, registered investment advisors, securities broker-dealers, associated persons and representatives of registered investment advisors and securities broker-dealers, agents licensed to sell life insurance or annuities, and similar regulated products. Senate changes to domicile test are effective day following final enactment and apply to any case for which an appeal, petition, or complaint has been filed in tax court or district court on or after April 28, 2015.
9	Update to federal definition of taxable income. Adopts the federal changes to taxable income in the Slain Officer Family Support Act, which allows taxpayers to elect to treat contributions for supporting the families of New York Police Department detectives Wenjian Liu and Rafael Ramos made before April 15, 2015, as though they were made on December 31, 2014. The effect is to allow individual and corporate calendar-year taxpayers to deduct contributions for the families of the detectives on their 2014 federal income tax returns, rather than on their 2015 returns. This section would allow deductions made by Minnesota taxpayers to flow through to their 2014 state returns. Without this change, taxpayers deducting	Section 8. Net income. Same

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	<p>contributions for the families of the detectives on their 2014 federal returns would be required to add those contributions to Minnesota taxable income on their 2014 state returns and then deduct them from Minnesota taxable income on their 2015 state returns.</p> <p>Effective date: Effective retroactive to tax year 2014.</p>	
10	<p>Additions to taxable income; individuals. Provides withdrawals from a long-term care savings plan that are not for a qualified purpose (same rules as outlined in section 1, subdivision 4) must be added to federal taxable income, subjecting them to Minnesota individual income taxation. Effective date: tax year 2015.</p>	No comparable provision
11	<p>Subtractions from taxable income; individuals. Modifies several existing subtractions and provides seven new subtractions from taxable income. All are effective for tax year 2015, except for the charity care subtraction, which is effective for tax year 2016.</p>	No comparable provision
	<p>K-12 education expenses. Extends the K-12 education expense subtraction to prekindergarten expenses. Increases the maximum K-12 education deduction from \$1,625 to \$2,500 for each child in grades K to 6, and from \$2,500 to \$3,750 for each child in grades 7 to 12, effective in tax year 2015, and adjusts the maximum deduction amount annually for inflation, beginning in tax year 2016. Defines qualifying expenses and prekindergarten educational program by reference to the expenses allowed under the K-12 education credit, which section 20 expands to include nonpublic school tuition and to provide a definition of prekindergarten educational programs.</p>	No comparable provision
	<p>Section 179 expensing. Replaces the section 179 expensing subtraction with a reference to the new subtraction and carryover provision in section 30.</p>	No comparable provision
	<p>Fitness facility fees. Provides subtractions for fitness facility fees for both employees and employers. For employees, the subtraction for fitness facility fees equals the value of the use of an on-premises fitness facility located in Minnesota and provided by the employer, or fitness facility membership fees paid by the employer. For employers, the subtraction equals amounts paid for employee membership at fitness facilities. The amount allowed to both employees and employers cannot exceed \$40 per employee per month for months in which the employee uses the fitness facility for at least eight days. Fitness facilities exclude private clubs, and facilities that offer golf, hunting, sailing, or horseback riding.</p>	<p>Section 23. Credit for employer-provided fitness facility expenses. Provides a nonrefundable credit for employees who use a fitness facility for which the individual's employer pays a portion of membership fees. The employee must use the facility an average of four times per month, but if the facility is used fewer than three times per month, the credit is not allowed. The credit is \$60 for married couples filing a joint return and \$30 for all other filers. The employer's payment of fitness facility fees must be available to all employees or a group of employees defined under a reasonable classification (<i>i.e.</i>, the facility must not be available to executives only). Defines "fitness facility" as a facility that provides instruction in a program of physical exercise; offers facilities for the preservation, maintenance, encouragement, or development of physical fitness; or is the site of a state or local government fitness program. A facility must not be a private club owned and operated by its members; offer golf, hunting,</p>

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		sailing, or horseback riding facilities; must not be incidental to the facility's overall function and purpose; and must be compliant with state and federal antidiscrimination laws. Effective beginning in tax year 2016.
	Charity care. Allows an income tax subtraction for charity care provided by doctors, dentists, chiropractors, mental health professionals and acupuncturists. The subtraction is limited to the medical assistance reimbursement that would be paid to the provider if the care recipient had coverage.	No comparable provision
	Military retirement pay. Allows a new income tax subtraction for individuals who receive military retirement pay. The subtraction equals \$1,000 for each year or portion of a year of active service, up to a maximum of twenty years of service. The subtraction would apply to retirement pay for service in the active and reserve components of the military, and for survivor benefit plan payments. The subtraction is not limited to the amount of military retirement pay received. In the case of married spouses who file jointly, each spouse can claim this subtraction. The subtraction would not be allowed to individuals who choose instead to claim the existing income tax credit for military retirees.	No comparable provision
	Social security income. Allows a subtraction from taxable income of 20 percent of social security benefits that are included in federal taxable income in tax year 2015. Increases the percentage that may be subtracted by 20 percentage points per year, so that in tax year 2019, 100 percent of benefits would be subtracted.	No comparable provision
	Section 529 plan contributions. Allows a taxpayer to deduct up to \$1,500 (\$3,000 for married joint filers) of contributions to any state's section 529 college savings plan for purposes of computing the Minnesota individual income tax. The subtraction excludes amounts that are rolled-over from other college savings plans, and is not allowed for amounts used to claim the credit in section 29.	No comparable provision
	Contributions to long-term care savings plans. Provides a subtraction from federal taxable income for amounts contributed to the long-term care savings plan and investment earnings on amounts in the account. Annual contributions are limited to \$1,000 (single and head of household filers) and \$2,000 (married joint filers). This has the effect of making the contributions deductible in computing state income tax and exempts the investment earnings from taxation.	No comparable provision
	Meal expenses of first responders. Provides a subtraction for meal expenses of paid and volunteer first responders. Meal expenses are deemed to equal \$7.50 per day. First responders may claim the meal expense subtraction for two days in weeks in which they are on call for up to 20 hours per week (\$15), and for four days in weeks in which they are on call for more than 20 hours per week (\$30).	No comparable provision

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12	Subtractions from taxable income; corporations. Makes two changes.	
	Section 179 expensing. Replaces the section 179 expensing subtraction with a reference to the new subtraction and carryover provision in section 30.	No comparable provision
	Fitness facility fees. Allows corporate employers to subtract amounts paid for employee membership at fitness facilities. The amount allowed cannot exceed \$40 per employee per month for months in which the employee uses the fitness facility for at least eight days. Fitness facilities exclude private clubs, and facilities that offer golf, hunting, sailing, or horseback riding.	No comparable provision (the credit in section 23 is limited to employees)
	No comparable provision	Section 9. Accelerated recognition of certain installment sale gains. Requires nonresident owners of pass-through entities and owners who become nonresidents to recognize future year gains following the sale of an interest in a pass through entity when they use the installment sale method of reporting income from the sale. Allows taxpayers to elect out of early recognition by agreeing to continue filing Minnesota tax returns and recognizing future year installment sale gains in the year that they are recognized federally. Provides that taxpayers who do not elect out of early recognition will not be taxed twice on the gains recognized early if they continue to file Minnesota income tax returns in future years. Effective beginning in tax year 2015.
13	Conforming change; NOLs. Provides that a corporation may not deduct NOLs that were surrendered under section 4.	No comparable provision
14	Internal Revenue Code. Adopts federal changes to the Internal Revenue Code made between December 31, 2014 and April 1, 2015. Section 5 incorporates federal changes as they related to the definition of taxable income; this section incorporates federal changes for all other elements of the state income tax, including the definition of adjusted gross income, alternative minimum taxable income, and the calculation of household income, which is used to compute the dependent care and K-12 education credit. The federal changes are described in section 5. Effective date: Effective retroactive to tax year 2014.	Section 10. Same
15	Tax credit; NOLs. Allows the amount of the surrendered tax benefits under section 4 as a refundable tax credit.	No comparable provision
	No comparable provision	Section 11. Film production credit. Provides a refundable credit of 25 percent of qualifying expenditures directly related to film production in Minnesota. "Film" is defined under current law as a feature film, television or Internet pilot, program, series, documentary, music video, or television commercial, whether on film, video, or digital media. Expenditures must be subject to tax in the state. Effective beginning in tax year 2016.

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16	<p>State tax credit for MNsure premium payments. Provides a refundable income tax credit for MNsure premiums.</p> <p>Subd. 1. Definitions. Defines terms. Defines “qualified individual” as a resident individual applying for, or enrolled in, qualified health plan coverage through MNsure with: (1) an income greater than 133 percent but not exceeding 200 percent of FPG; or (2) an income equal to or less than 133 percent of the FPG, if the person would have been eligible for MinnesotaCare under the eligibility criteria specified in Minnesota Statutes 2014, chapter 256L.</p> <p>Subd. 2. Credit allowed; payment to health carrier. (a) Provides qualified individuals with a credit against the state income tax equal to the amount determined under subdivision 3.</p> <p>(b) Specifies the method of allocating the credit for part-year residents.</p> <p>(c) Requires qualified individuals receiving a premium advance under § 62V.05, subd. 5, para. (j), to repay the premium advance by April 15 of the year following the coverage year for which the premium advance was provided.</p> <p>Subd. 3. Calculation of credit amount. Requires the commissioner of revenue, in consultation with the commissioner of human services and the MNsure board, to provide qualified individuals with tax credits to reduce the cost of MNsure premiums by specified dollar amounts. Requires the dollar amount of the credit to equal the base premium reduction amount, adjusted for household size. Requires the commissioner to establish separate base premium reduction amounts, on a sliding scale, for: (1) households with incomes not exceeding 150 percent of FPG; and (2) households with incomes greater than 150 percent but not exceeding 200 percent of FPG. Requires the commissioner, in developing the tax credit methodology and base premium reduction amounts, to ensure that aggregate tax credits do not exceed \$50 million per taxable year.</p> <p>Subd. 4. Credit refundable; appropriation. (a) Provides that the credit is refundable, if the credit allowed exceeds the individual’s tax liability.</p> <p>(b) Appropriates to the commissioner from the general fund an amount sufficient to pay the credits required by this section.</p> <p>Subd. 5. Payment in advance. Requires the commissioner of human services to seek all federal approvals and waivers necessary to pay the tax credit on a monthly basis, in advance, to the health carrier providing</p>	No comparable provision

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	<p>coverage to the qualified individual, without affecting the amount of the individual's federal advanced premium tax credit. If the necessary approvals and waivers are obtained, requires the commissioner of human services to submit to the legislature any legislative changes necessary to implement advanced payment of tax credits, and directs the MNsure board to require health carriers to reduce premiums charged to qualified individuals by the amount of the tax credit.</p> <p>Effective date. Tax year 2016.</p>	
17	<p>Dependent care credit. Increases the state dependent care credit to equal the federal credit for taxpayers with adjusted gross incomes (AGI) up to \$44,000. The maximum state credit would increase from \$720 to \$1,050 for one dependent, and from \$1,440 to \$2,100 for two or more dependents. The credit would continue to follow the phasedown of the federal credit, so that the maximum credit for filers with AGI over \$43,000 would be \$600 for one dependent, and \$1,200 for two or more dependents. The state credit would then phase out for filers with AGI from \$44,000 to \$56,000 (one dependent), and from \$44,000 to \$68,000 (two or more dependents). The state credit would remain refundable. The \$44,000 income threshold for the phaseout would not be adjusted annually for inflation. The phaseout threshold under current law is adjusted for inflation; that adjustment would be repealed in section 36.</p> <p>Effective date: tax year 2015.</p>	No comparable provision
18	<p>Working family credit; nonresidents. Provides that full-year nonresidents are not eligible for the working family credit. This change prevents residents of other states with earned income from claiming the state working family credit.</p> <p>Effective date: tax year 2015.</p>	Section 12. Same
19	<p>TANF appropriation for WFC expansion. Modifies the TANF appropriation for WFC expansion to clarify that it applies only to the WFC expansion enacted by the 2000 legislature, not to the 2014 expansion.</p> <p>Effective date: fiscal year 2015 and following years (credits for tax year 2014 and following years).</p>	Section 13. Similar; Senate provision is identical but is effective for transfers in fiscal year 2015 only. S.F. No. 1458, article 1, section 64 (in conference) repeals the TANF appropriation for the working family credit, effective for fiscal year 2016 and following years.
20	<p>Long-term care credit. Increases the rate for the long-term care insurance premiums credit from 25 percent to 50 percent of premiums paid, and increases the maximum credit from \$100 to \$150 for individuals, and from \$200 to \$300 for married couples filing jointly if both spouses have policies.</p> <p>Effective date: tax year 2015.</p>	No comparable provision
21	<p>Pre-K-12 education credit; qualifying expenses. Expands the list of expenses that qualify for the K-12 education credit to include nonpublic school tuition and prekindergarten educational programs. Under current law nonpublic school tuition is allowed under the K-12 education expense</p>	<p>Section 14. K-12 education credit; expenses.</p> <p>Senate does not extend credit to nonpublic school tuition of K-12 students.</p> <p>Similar with regard to extending the credit to pre-K expenses. Senate extends credit to preschool</p>

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	<p>deduction, but not the credit. Defines prekindergarten educational programs as</p> <ul style="list-style-type: none"> • programs established by school districts, • licensed and accredited preschools, nursery schools, and early childhood programs, • Montessori programs, • child care programs operated by providers with a credential in early childhood development; • programs that participate in a quality rating and improvement system (QRIS). <p>Coordinates the extension to pre-K expenses with the dependent care credit so as not to allow two tax credits to be claimed for the same expense.</p>	<p>students at least four years old when expenses are incurred. Defines “preschool” as a Head Start program or a school district prekindergarten program. Effective beginning in tax year 2015.</p> <p>No comparable provision</p>
22	<p>Pre-K-12 education credit; amount and phaseout. Increases the maximum pre-K-12 education expense credit from \$1,000 to \$1,500 per child. Increases the income at which the credit begins to phase out from \$33,500 to \$47,500 and decreases the rate of phaseout so that the credit would be fully phased out when income reached \$56,500 for families with one or two children and would extend by an additional \$4,500 for each additional child. Defines household income for use in phasing out the credit. Current law references the household income definition in the dependent care credit, which is being replaced with adjusted gross income in section 16.</p>	<p>Section 15. K-12 education credit; phaseout.</p> <p>Senate does not increase the credit amount.</p> <p>Similar with regard to the phaseout threshold; Senate increases the threshold from \$33,500 to \$45,000, and leaves the phaseout rate as in current law, so that the credit would be fully phased out when income reached \$49,000 for families with one or two children, and would extend by an additional \$2,000 for each additional child. Effective beginning in tax year 2015.</p>
23	<p>Pre-K-12 education credit; inflation adjustment. Provides for the maximum pre-K-12 education credit and the income threshold at which the credit begins to phase out to be adjusted annually for inflation, beginning in tax year 2016.</p>	<p>No comparable provision</p>
24	<p>Military retirement credit. Coordinates the current law military retirement credit with the proposed income tax subtraction for military retirees in section 11, so that individuals may claim either the credit or the subtraction, but not both.</p>	<p>No comparable provision</p>
25	<p>Research credit allowed. Extends the research credit to sole proprietors and increases the second tier credit rate from 2.5 percent to 4 percent, effective for tax year 2016.</p>	<p>Section 16. Research credit allowed. Same with regard to sole proprietors, but effective for tax year 2015.</p> <p>Senate does not change the second tier rate.</p>
	<p>No comparable provision</p>	<p>Section 17. Research credit; base amount. Provides for a base percentage of 16 percent when taxpayer accounting records for the base year are unavailable or inadequate, effective for tax year 2015.</p>
26	<p>Carryover of research credit. Modifies the carryover provision of the research credit to provide that the refundable portion of the credit is not to be carried over. Under present law, amounts in excess of the liability for tax are allowed a 15-year carryover to reduce taxes in future years. This would continue for amounts that do not qualify for the refund. Effective beginning in tax year 2015.</p>	<p>Section 18. Research credit; carryover. Same.</p>

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27	<p>Research credit; refundability. Provides the first \$200,000 of the research credit is refundable, effective in tax year 2015. This makes the credit attributable to the first-tier rate refundable. Reductions in the alternative minimum tax and minimum fee count against the \$200,000 limit. Effective beginning in tax year 2015.</p>	<p>Section 19. Research credit; refundability. Similar; but Senate allows the first \$15,000 of the credit to be refundable, and includes sole proprietors in the list of entities to which the refundability provision applies.</p>
28	<p>Application for certification. Requires sole proprietors to apply to DEED by September 15th following the calendar year in which the research was done for certification of the credit amount. DEED is required to determine the amount of credit the taxpayer is eligible for and certify the amount to the taxpayer within 90 days after receiving the application. DEED also is required to notify the Department of Revenue and the allowed credit is limited to the certificate issued by DEED. C corporations, S corporation shareholders, and partners are excluded from the requirement to apply for certification under this subdivision. Effective beginning in tax year 2016.</p>	<p>Section 20. Research credit; application. Similar, with these differences: The Senate requires the Department of Revenue, rather than DEED, to administer the applications, requires notification within 60 days of application rather than 90, allows the credit on the following year's return rather than on an amended return, and has language differences with regard to requiring the application only of sole proprietors. Effective beginning in tax year 2015.</p>
29	<p>Credit for attaining master's degree in teacher's licensure field. Allows a refundable individual income tax credit of \$2,500 to licensed K-12 teachers who complete a master's degree program in their field of licensure. Requires elementary school teachers to complete a master's degree in a core content area in which the teacher provides direct classroom instruction. Core academic subjects defined in federal and state law include English, reading or language arts, mathematics, science, foreign languages, civics and government, economics, arts, history, and geography. Limited to teachers who begin a program after June 30, 2015, and teachers would claim the credit in the year they complete the degree. Teachers may claim the credit once for each master's degree completed.</p> <p>Provides that if the credit exceeds an individual's tax liability, the amount in excess of liability will be paid as a refund. Provides an ongoing appropriation for payment of refunds.</p> <p>Effective beginning in tax year 2015, but payment of credits for degrees completed in 2015 or 2016 are delayed to 2017.</p>	No comparable provision
30	<p>Student loan credit. Allows a refundable individual income tax credit for principal and interest payments on student loans, incurred for the taxpayer or spouse. The credit is limited to the least of:</p> <ul style="list-style-type: none"> • loan payments made during the year, reduced by 10 percent of the individual's adjusted gross income in excess of \$10,000; • the individual's earned income for the year; or • interest payments made during the year plus 10 percent of the original loan amount (a fixed portion of principal) 	No comparable provision

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	<p>A student may claim the credit if he or she has a “qualified education loan” related to an undergraduate or graduate degree program, which is any loan used to pay for the costs of attending an educational institution.</p> <p>Effective beginning in tax year 2015.</p>																																		
<p>31</p>	<p>Credit for section 529 plan contributions. Allows an income tax credit for contributions to any state’s section 529 college savings plan. The maximum credit is \$500; the credit rate varies by federal adjusted gross income (AGI), with the income ranges adjusted annually for inflation. The table shows the credit rate and minimum contribution necessary to result in the maximum \$500 credit for married couples filing jointly. Single and head of household filers with adjusted gross income over \$80,000 would not be eligible for the credit.</p> <table border="1" data-bbox="228 916 849 1365"> <thead> <tr> <th>Income range (AGI)</th> <th>Credit rate</th> <th>Contribution necessary to claim maximum \$500 credit</th> </tr> </thead> <tbody> <tr> <td>Up to \$80,000</td> <td>50%</td> <td>\$1,000</td> </tr> <tr> <td>\$80,001 to \$100,000</td> <td>25%</td> <td>\$2,000</td> </tr> <tr> <td>\$100,001 to \$120,000</td> <td>10%</td> <td>\$5,000</td> </tr> <tr> <td>\$120,001 to \$160,000</td> <td>5%</td> <td>\$10,000</td> </tr> </tbody> </table> <p>The credit is refundable; credit amounts in excess of income tax liability would be paid to the claimant as a refund.</p> <p>Imposes a penalty on individuals who claimed credits under this section if the beneficiary of an account uses a distribution for other than higher education expenses (e.g., tuition, fees, books, or the student’s living expenses). The penalty equals the lesser of</p> <ul style="list-style-type: none"> • 10% of the nonqualified distribution, or • The total amount of credits the individual claimed under this section. <p>Effective date: Tax year 2015</p>	Income range (AGI)	Credit rate	Contribution necessary to claim maximum \$500 credit	Up to \$80,000	50%	\$1,000	\$80,001 to \$100,000	25%	\$2,000	\$100,001 to \$120,000	10%	\$5,000	\$120,001 to \$160,000	5%	\$10,000	<p>Section 21. Minnesota college savings plan credit. Similar, with the following differences:</p> <p>Senate restricts the credit to contributions to Minnesota section 529 plans, and requires any credit amount allowed as a refund to be transferred to the plan administrator of the filer’s designated Minnesota plan account, rather than paid to the taxpayer as a refund. In the case of contributions to more than one account, the commissioner of revenue must apportion the credit based on the percentage of total contributions to all accounts. Requires the commissioner of the Office of Higher Education to provide information to the commissioner of revenue sufficient to verify the taxpayer’s contribution amounts.</p> <p>Provides a different credit structure.</p> <table border="1" data-bbox="911 1193 1536 1978"> <thead> <tr> <th>Income range (AGI)</th> <th>Credit rate</th> <th>Contribution necessary to claim maximum \$500 credit</th> </tr> </thead> <tbody> <tr> <td>Up to 150% FPG for family of four</td> <td>200%</td> <td>\$250</td> </tr> <tr> <td>Over 150% FPG, to 200% FPG for family of four</td> <td>100%</td> <td>\$500</td> </tr> <tr> <td>Over 200% FPG, to \$80,000 AGI</td> <td>50%</td> <td>\$1,000</td> </tr> <tr> <td colspan="3">Credit not allowed for individuals with AGI over \$80,000</td> </tr> <tr> <td colspan="3">Credit reduced by \$1 for every \$160 over \$80,000 for married couples filing jointly</td> </tr> </tbody> </table> <p>Effective date: Tax year 2016.</p>	Income range (AGI)	Credit rate	Contribution necessary to claim maximum \$500 credit	Up to 150% FPG for family of four	200%	\$250	Over 150% FPG, to 200% FPG for family of four	100%	\$500	Over 200% FPG, to \$80,000 AGI	50%	\$1,000	Credit not allowed for individuals with AGI over \$80,000			Credit reduced by \$1 for every \$160 over \$80,000 for married couples filing jointly		
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	<p>Article 10, section 25 requires a report on allowing a corporate and individual income tax credit for employers who hire veterans.</p>	<p>Sections 22, 31, and 32. Veterans jobs tax credit and grant. Provides a nonrefundable tax credit for employers that hire qualifying unemployed veterans. A veteran must have been unemployed on the date of hire. The veteran must be a Minnesota resident on the date of hire and be paid wages that are attributable to Minnesota. The credit amount is ten percent of the wages paid to the veteran employee, up to \$2,500. The credit must not be claimed by employers that claim the grant under section 31. Effective beginning in tax year 2016. Section 31 requires the Department of Revenue to establish a grant program to local governments and</p>																																	

Sec.	Article 1: Income and Franchise Taxes	Article 1: Income, Corporate and Estate Taxes
		nonprofit organizations that hire qualified veteran employees. A veteran must have received unemployment compensation at any time within one year prior to, and must have been unemployed on, the date of hire. The veteran must not have been a board member of the nonprofit organization or an elected or appointed official of the local government. The veteran must be a Minnesota resident on the date of hire and be paid wages that are attributable to Minnesota, and must be employed at least 6 of the 12 months immediately following the date of hire. Establishes application requirements to receive a grant. The grant amount is \$2,500 times the number of qualified veterans hired by the local government or nonprofit organization. The grant is not available to employers that claimed the credit under section 22 . Effective beginning January 1, 2016. Section 32 appropriates amounts from the general fund to make the grants, effective the day following final enactment.
32	Section 179 expensing allowance. Allows subtractions related to section 179 expensing in excess of taxable income to be carried over for up to ten tax years. Effective date: tax year 2015.	No comparable provision
33	Income tax reciprocity. Modifies the formula used to calculate the payment from Wisconsin to Minnesota when an income tax reciprocity agreement is in effect to: <ul style="list-style-type: none"> • Take into account the effect of refundable credits paid by Minnesota to Wisconsin residents who work in Minnesota and • Allow Wisconsin to deduct the full cost of the revenue it forgoes by not taxing Minnesota residents (not the lesser portion of that revenue that Minnesota allows to be claimed as a credit against Minnesota tax). Retains the commissioner’s discretion to decide whether or not to enter into an agreement with Wisconsin.	No comparable provision
34	Alternative minimum tax; individuals. Provides that social security benefits, military retirement pay, and contributions to and earnings of long-term care savings plans subtracted from taxable income under section 10 are also subtracted from alternative minimum taxable income.	
	No comparable provision	Section 24. Unitary business principle; insurance companies. Under current law, insurance companies generally are excluded from the unitary groups of businesses that pay corporate franchise tax. This section adds a definition of “insurance company” that would only apply to insurance companies that are admitted to practice the business of insurance in Minnesota or in another state that imposes retaliatory taxes on Minnesota domiciled insurers. Effective beginning in tax year 2015.
35	Sourcing of income for nonresident board members. Modifies the sales factor under the apportionment formula to provide a special rule for compensation received by members of boards of	Section 25. Determination of sales factor.

Sec.	Article 1: Income and Franchise Taxes	Article 1: Income, Corporate and Estate Taxes
	directors who are not Minnesota residents. This rule provides that these receipts (e.g., payments made to a nonresident member of the board of directors of a corporation) are sourced to Minnesota based on the proportion of time the board member spends in Minnesota providing board service. In other words, a nonresident board member will treat payments received for board service as having a Minnesota source based on the percentage of total board time the member spends in Minnesota. The provisions would apply retroactively to all open tax years.	Same with regard to sourcing of income for nonresident board members.
	House does not exclude the sale of derivatives.	Senate also excludes the sale of derivatives, such as options and swaps, from the sales apportionment factor, effective beginning in tax year 2015.
	No comparable provision	Section 26. Dividends received deduction. Adds a reference to Internal Revenue Code section 246A, which disallows a dividend received deduction for dividends paid from stock that is debt-financed. Effective beginning in tax year 2015.
36	Update of references to Internal Revenue Code; property tax refund chapter. Adopts the federal changes that affect household income, which uses the definition of federal adjusted gross income as a starting point.	Section 27. Same
37	Additional personal and dependent exemption. Allows an additional personal and dependent exemption for tax years 2015 and 2016 equal to 25 percent of the amount allowed at the federal level, multiplied by the number of exemptions claimed on the federal return. For tax year 2015 the additional state exemption would be \$1,000 for each exemption claimed. Subjects the additional exemption amount to the phaseout of exemptions for higher-income filers.	No comparable provision
38	Credit for rehabilitation of job training center. Allows a tax credit for rehabilitation of a certified historic structure in a city of the first class (the Old North Branch Library in Minneapolis). The credit is refundable and equals 20 percent of the rehabilitation costs. Requires the developer to document costs and notify the commissioner when the project is placed in service, at which time the commissioner must issue a credit certificate that may be assigned to another taxpayer and used to offset the tax under this chapter or under chapter 297I (insurance premiums tax).	Article 2, section 33 provides a grant to Hennepin County, \$880,000 of which must be used for the North Branch Library/EMERGE job training center.
	No comparable provision	Sections 30 and 32. Report of free e-filing for individual returns. Requires the Department of Revenue to provide a written report to the Senate and House Tax Committees on options for a free electronic filing system for individual income tax returns. The report must be submitted by March 16, 2016, and must include responses from a Department request for information from consumer-based tax filing software vendors. The report must address issues regarding free electronic filing while maintaining the annual income tax sample and how other states with income tax samples manage federal data on federal income tax returns. The

Sec.	Article 1: Income and Franchise Taxes	Article 1: Income, Corporate and Estate Taxes
		<p>request for information may include information sought from vendors on the following aspects of a free e-filing solution:</p> <ul style="list-style-type: none"> • costs to the state of Minnesota to provide an e-filing process for the preparation, submission, and payment remittance of individual income tax returns, on a per return basis; • capability to provide customer service and issue resolution to taxpayers using the software; • capability to provide and maintain an appropriate link between the Department of Revenue and the IRS Modernized Electronic Filing Program; • capability to ensure that taxpayer return information is secure and protected; • products for the free filing and submitting of both Minnesota and federal returns offered to customers and the various thresholds for using those products; and • any add-on products offered to customers and their costs. <p>Appropriates \$175,000 to the Department of Revenue to prepare the report. Effective the day following final enactment.</p>
39	<p>Repealer. Repeals the phaseout of the dependent care credit, the household income definition, and the inflation adjustment of the dependent care credit. Section 16 proposes a new phaseout which is not adjusted for inflation, and changes to using adjusted gross income for the phaseout, making the household income definition obsolete.</p>	<p>No comparable provision</p>

Sec.	Article 2: Property Tax Empowerment	
1	Capital project levy referendum (schools). Requires an election in the law authorizing a school district to levy for a capital project to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year instead of a date set by the school board. Provides an exception for a referendum to finance a district's response to a disaster or emergency.	No comparable provision
2	Referendum revenue (schools). Requires a school district to state on both its referendum ballot and on its notice to taxpayers the amounts of any board-approved local optional revenue (currently up to \$424 per pupil), board-approved referendum authority (up to \$300 per pupil), and previous voter-approved referendum authority.	No comparable provision
3	Questions (election law). Requires a special election on a ballot question in a city or town be held only on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	No comparable provision
4	Questions (schools). Requires a special election on a ballot question in a school district to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year. Strikes language saying when a special election cannot be held.	No comparable provision
5	Municipal acquisition procedures; notice; election (cities). Requires a special election on the decision of a city to acquire property of a public utility to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year. Under current law, the special election is held between 60 and 120 days after the resolution of the governing body is adopted.	No comparable provision
6	Municipal telecommunications services (cities). Strikes option for a special election on decision of a city to establish a telephone exchange and specifies that an election be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	No comparable provision
7	Notice of proposed property taxes. Requires the Truth in Taxation notices mailed to taxpayers to include a statement at the top informing taxpayers that if the county's or city's final levy is greater than last year's levy they have the right to petition for a referendum on the next year's levy. Effective beginning with taxes payable in 2016.	No comparable provision
8	Certification of levy. Provides for the maximum levy amount depending on the outcome of a referendum required under section 10. If the referendum on the proposed Truth in Taxation levy passes the maximum levy is the proposed levy amount. If it fails, the maximum allowed levy is the maximum alternative levy (equal to the county's nondebt levy from two years earlier plus its current proposed debt levy).	No comparable provision

Sec.	Article 2: Property Tax Empowerment	
9	<p>Levy or bond referendum; ballot notice. Strikes the option for a special election on a ballot question that will result in higher property taxes and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year. Provides an exception for a referendum to finance a local government's response to a disaster or emergency.</p>	No comparable provision
10	<p>Levy increase; reverse referendum authorized. Provides for a future reverse referendum if a county or city increases its property tax levy.</p> <p>Subd. 1. Citation. Names this section the Property Tax Payers' Empowerment Act.</p> <p>Subd. 2. Definitions. Defines the local governments subject to this provision to be counties and all home rule charter and statutory cities. Also defines the maximum alternative levy allowed if a referendum fails to be the local government's nondebt levy from two years ago plus its proposed debt levy for the coming year.</p> <p>Subd. 3. Levy increase; reverse referendum authority. Allows a reverse referendum if a city or county increases its levy over the previous year. The referendum occurs if a petition for referendum, signed by 10 percent of the voters in the last general election is filed with the county auditor by June 30th. The referendum must be held at the general election or at a special election on the first Tuesday after the first Monday in November.</p> <p>Subd. 4. Prohibition against new debt before the election. Prohibits a local government from issuing new debt from the time a petition is filed until after the referendum is held.</p> <p>Subd. 5. Ballot question; consequence of the vote. Lays out the format for the referendum question on the ballot; including the maximum levy if the referendum fails.</p> <p>Effective beginning with taxes payable in 2016.</p>	No comparable provision
11	<p>Auditor to publish rates. Requires that the newspaper notice of tax rates include notice if a city or county raised its general property tax levy and is therefore subject to a reverse referendum on its next proposed levy. Effective beginning with taxes payable in 2016.</p>	No comparable provision
12	<p>Contents of tax statements. Requires that the current tax statements include notice if a city or county raised its general property tax levy and is therefore subject to a reverse referendum on its next proposed levy. Effective beginning with taxes payable in 2016.</p>	No comparable provision
13	<p>Contracts (cities). Strikes the option for a special election held in response to a petition requesting a referendum relating to a contract for deed that the city proposes to enter into and requires the election</p>	No comparable provision

Sec.	Article 2: Property Tax Empowerment	
	to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	
14	Financing purchase of certain equipment (cities). Strikes the option for a special election in response to a petition for an election (reverse referendum) on authorizing a city to issue certificates of indebtedness or capital notes, and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	No comparable provision
15	Voter approval required; leases of public buildings. Provides for a reverse referendum on whether a city (excluding first class cities), county, or urban town may enter into a lease of three or more years for real property with a housing and redevelopment authority (HRA), port authority, economic development authority (EDA), or other entity established by special law with powers similar to those authorities, when the real property was acquired or improved with obligations (bonds or other debt instruments) issued by the authority.	No comparable provision
16	Referendum in certain cases (municipal liquor stores). Strikes the option for a special election on whether to issue debt backed by liquor store profits for projects of the city other than projects for the liquor store and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	No comparable provision
17	Statutory city; on-sale and off-sale store. Strikes the option for a special election on whether to use the liquor dispensary fund to contribute to construction of a community hospital in the city and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	No comparable provision
18	Statutory city; off-sale or on-sale and off-sale store. Strikes the option for a special election on whether to use the liquor dispensary fund to contribute to an incorporated hospital association for four years and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	No comparable provision
19	Fourth class city operating (municipal liquor) store. Strikes the option for a special election on whether to use the liquor dispensary fund to build, equip, and maintain a community hospital located in the city and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	No comparable provision
20	Statutory city; fourth class. Strikes the option for a special election on whether to use the liquor dispensary fund to build, and maintain a community hospital for five years and requires the election to be held on the first Tuesday after the first Monday in	No comparable provision

Sec.	Article 2: Property Tax Empowerment	
	November of either an even-numbered or odd-numbered year.	
21	Statutory city; any (municipal liquor) store. Strikes the option for a special election on whether to use the liquor dispensary fund to periodically provide funds to a community hospital and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	No comparable provision
22	Submission to voters (public utility). Strikes the option for a special election on the question of acquiring property for the public utility and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	No comparable provision
23	Submission to voters (electric utility). Strikes the option for a special election on the question of acquiring property for the public utility and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	No comparable provision
24	Municipalities may extend electric service. Strikes the option for a special election on the question of extending service outside the municipality and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	No comparable provision
25	Accept donations (forests). Strikes the option for a special election or special town meeting on the question of acquiring real property for production of timber and wood and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year or as part of the annual town meeting	No comparable provision
26	Reverse referendum (port authorities). Strikes the option for a special election held pursuant to a petition (reverse referendum) on whether the city will increase its levy for the port authority and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year. An approved levy increase may not take effect until the next calendar year.	No comparable provision
27	General obligation bonds (Cannon Falls and Redwood Falls port authorities). Strikes the option for a special election held pursuant to a petition (reverse referendum) on whether the port authority may issue general obligation bonds and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year. This section is effective only if approved by the respective cities.	No comparable provision
28	Reverse referendum (economic development authority). Strikes the option for a special election held pursuant to a petition (reverse referendum) on whether the city will increase its levy for the	No comparable provision

Sec.	Article 2: Property Tax Empowerment	
	economic development authority and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	
29	Authorization (local lodging tax). Strikes the option for a special town meeting on whether the town will impose a local lodging tax. The vote of the electors may only be at the annual town meeting.	No comparable provision
30	Reverse referendum (local lodging tax). Strikes the option for a special election in the unorganized territory of the county held pursuant to a petition (reverse referendum) on whether the county will impose a local lodging tax and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	No comparable provision
31	May use fund for other purposes upon vote (public works reserve fund). Strikes the option for a special election on the question of whether the city may use the public works reserve fund for another purpose and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	No comparable provision
32	Expenditure from fund, limitations (permanent or replacement fund). This section applies to each city in which the net tax capacity of real and personal property consists in part of iron ore or lands containing taconite or semitaconite and in which the total estimated market value of real and personal property exceeds \$2,500,000. Strikes the option for a special election and requires the election on the question of whether to exceed the statutory limit for expenditure from the fund for one project to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	No comparable provision
33	Tax levy (infrastructure replacement reserve fund). Strikes the option for a special election held pursuant to a petition (reverse referendum) on whether the city will levy for an infrastructure replacement reserve fund and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	No comparable provision
34	Use of fund for a specific purpose (infrastructure replacement reserve fund). Strikes the option for a special election on whether use of the infrastructure replacement reserve fund should be restricted to a specific improvement or type of capital improvement and requires the election to be held on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year.	No comparable provision
35	Manner of submission; notice (general law on municipal debt). Provides that a special election held by a city, county, or school district on issuing debt must be held on the first Tuesday after the first Monday in November of either an even-numbered	No comparable provision

Sec.	Article 2: Property Tax Empowerment	
	<p>or odd-numbered year. Allows a town to pose the question at an election held on the same day as the annual town meeting or on the first Tuesday after the first Monday in November of either an even-numbered or odd-numbered year. Overrides special laws authorizing an election on issuing debt to be held at any other time. Provides an exception for a referendum to finance a local government's response to a disaster or emergency.</p>	
<p>36</p>	<p>Repealer. Repeals § 205.10, subd. 3 – an election law provision limiting when special elections on ballot questions may be held relative to the general election.</p>	<p>No comparable provision</p>

Sec.	Article 3: Property Taxes	Article 2: Property Taxes
1	Allowed commercial and industrial operations. Allows cell towers to be installed on property within an agricultural preserve in Greater Minnesota.	No comparable provision
	No comparable provision	Sections 1, 13, and 14. County levy authority. Requires that a county levy for the soil and water conservation district (SWCD) operations must be certified as a special levy and adds the certification of county levies for soil and water conservation districts as a special taxing district. Effective for certifications made in 2015 and thereafter.
	No comparable provision	Section 2. Referendum market value. Provides that the portion of non-commercial seasonal residential recreational properties over \$300,000 in market value is subject to taxes levied on referendum market value, for taxes payable in 2016 and thereafter.
	No comparable provision	Section 3. County historical society; tax levy. Allows the governing bodies of any city or town to appropriate funds from its general fund to be paid to the historical society of its respective city or town; current law provides that the funds must be paid to the historical society of its respective county only. Effective the day following final enactment.
2	Termination of local assessor's office by town vote. Allows for the termination of a town's local assessor's office by a vote at a town's annual meeting. After four years, the town may vote to revoke this decision and reestablish its local assessor's office.	No comparable provision
3	Agricultural homesteads; special provisions. Allows agricultural property whose owner lives off-site to qualify for agricultural homestead classification, provided that the owner lives within four townships of the land, and provided that the owner or the owner's spouse farmed the land for at least ten years in the past. Effective beginning with taxes payable in 2017.	No comparable provision
4	Class 2 agricultural property. Defines wine produced by a farm winery as an agricultural product, and defines the bottling of wine produced by a farm winery as an agricultural process, thereby allowing all property used for producing wine on farm wineries to be classified as agricultural. Effective beginning with taxes payable in 2017. No comparable provision	No comparable provision Section 4. Class 2 properties. Modifies the definition of 'agricultural purposes' for Class 2 properties by allowing property enrolled in the federal Conservation Reserve Program to be classified as agricultural. Under current law, property enrolled in the program is only classified as agricultural if the property was classified as such in 2002, or in the year prior to enrollment. Effective beginning with assessment year 2016.
	No comparable provision	Section 5. Class 3; classification rates. Increases the classification rates for Class 3 commercial-industrial properties to 1.55 percent of the first tier of market value and 2.1 percent of the remaining

Sec.	Article 3: Property Taxes	Article 2: Property Taxes
		market value. Effective for taxes payable in 2016 and thereafter.
5	Class 4 miscellaneous property. Provides a class rate reduction from 1.5% to 1.0% for property of non-profit community service organizations that are owned or operated by congressionally chartered veterans' organizations. The class rate reduction would expire after ten years. Qualifying organizations are the American Legion and the VFW. Effective beginning with taxes payable in 2017.	No comparable provision
6	Homestead of disabled veteran. Provides that the surviving spouse of (a) a permanently and totally disabled veteran, or (b) a service member who dies due to a service-related cause, will receive the \$300,000 homestead market value exclusion each year, until the spouse remarries or disposes of the property. Under current law this benefit to the surviving spouse expires after eight years.	No comparable provision
7	Appeals and equalization course requirement for local boards. Currently, a local board of appeal and equalization must have one member at each meeting who has taken a department of revenue course on appeals and equalization. This section would restrict application of this requirement to years where the commissioner of revenue offers a prescribed number of in-person training sessions to local board members. The requirement to offer in-person training sessions sunsets when the office of broadband development certifies that every jurisdiction subject to the current requirement has broadband service available.	Section 29, Similar. Board of appeals and equalization in-person training. Requires the Department of Revenue, in consultation with the Minnesota Association of Townships, to offer not less than 12 in-person board of appeals and equalization course trainings in 2015 and 2016. Effective June 1, 2015.
8	Property tax credit for overvalued property. Requires the assessor to calculate and apply a tax credit against future property taxes due when a property is determined to have been overvalued by a board of appeal and equalization (but not including the state board of equalization) or by an abatement. The look-back for calculating the credit is one year. The credit is determined by calculating the difference between the amount of taxes payable for the current year and the amount of taxes payable for the current year under the reduced value. The credit is applied at the rate of 25% of the current property taxes owed until the tax credit is credited in full. The reduction in taxes payable to each jurisdiction taxing the property is proportionately allocated.	No comparable provision
9	State general tax. Makes a number of modifications to the state general tax. Subdivision 1. State general levy amount. Separately states the portion of the state general levy to be paid by commercial-industrial property and by seasonal-recreational property. Reduces the general levy by an amount equal to the amount of the state general levy paid by property that is being exempted in subdivisions 2 and 3. Eliminates the automatic inflation of the state	Section 9. State general levy; amount. Reduces the state general levy by setting the levy amount for commercial-industrial properties at \$767,090,100 and \$34,057,500 for seasonal recreational properties. Effective for taxes payable in 2016 and thereafter. The inflation index is retained.

Sec.	Article 3: Property Taxes	Article 2: Property Taxes
	<p>general levy. Phases out the remaining state general levy over six years.</p> <p>Subd. 2. Commercial-industrial tax capacity. Exempts the first \$500,000 of market value of each parcel of commercial-industrial property from the state general levy.</p> <p>Subd. 3. Seasonal-recreational property. Exempts the first \$250,000 of market value of each parcel of non-commercial seasonal recreational property from the state general levy.</p> <p>Subd. 4. Apportionment and levy of the state general tax. Eliminates the apportionment of the state general levy into a commercial-industrial share and a seasonal-recreational share since the levy amounts are separately stated in subdivision 1.</p> <p>Subd. 5. Underserved municipalities distribution. Provides for a distribution of the state general levy paid by properties within a municipality back to the municipality, provided that the municipality (i) lies within the metropolitan area but outside the transit district area, and (ii) has a net fiscal disparities contribution tax capacity in excess of eight percent of the municipality's total net tax capacity. The distribution is equal to the contribution tax capacity in excess of eight percent times the municipality's tax rate. The distribution cannot exceed the amount of state general levy paid by properties within the municipality.</p>	<p>No comparable provision</p> <p>Section 10. Seasonal residential recreational tax capacity. Provides that for purposes of the state general levy, the market value of seasonal recreational properties exceeding \$300,000 is excluded for taxes payable in 2016 and thereafter.</p> <p>Section 34. Repeals subdivision 4</p> <p>No comparable provision</p>
10	<p>Proposed levy certification. Requires special taxing districts to certify their proposed levies by September 30 of each year. Under current law, they are required to certify proposed levies by September 15. Specifically excludes the Metropolitan Council and the Metropolitan Mosquito Control District from the September 30 certification date, which have specific certification dates elsewhere in statute.</p>	<p>Section 11. Same</p>
	<p>No comparable provision</p>	<p>Sections 16 and 17. Iron Range fiscal disparities. Prohibits the areawide tax rate from deviating from the previous year's areawide rate by more than five percentage points. If the areawide rate deviates more than five percentage points, the auditor must determine the percentage increase or reduction to each jurisdiction's distribution levy necessary so that the rate does fall within the range and recalculate the areawide rate accordingly. Effective beginning with taxes payable in 2017.</p>
11	<p>Refunds of overpayment. Allows the county to refund taxes for overvalued property by providing a credit against future years' taxes, if agreed to by the property owner.</p>	<p>No comparable provision</p>
12	<p>Penalties for late payment of property taxes; non-agricultural property. Equalizes the penalties for first and second-half late payments of property</p>	<p>No comparable provision</p>

Sec.	Article 3: Property Taxes	Article 2: Property Taxes
	<p>taxes for homestead and nonhomestead properties. Restructures existing law for clarity.</p> <p>No comparable provision</p>	<p>Section 18. Due dates; penalties. Provides that no penalty for late payment of property tax shall accrue if the property tax payment is delivered by mail to the county treasurer and the envelope containing the payment is postmarked within two business days of the actual due date. Effective for property taxes payable in 2016 and thereafter.</p>
13	<p>Penalties for late payment of property taxes; agricultural property. Equalizes the penalties for first and second-half late payments of property taxes for agricultural homestead and agricultural nonhomestead properties. Deletes a provision applicable to taxes payable in 2010 and 2011.</p>	<p>No comparable provision</p>
14	<p>Installment payments. Eliminates a restriction on interest rates available under contracts to repurchase tax-forfeited property.</p>	<p>Section 19. Same</p>
15	<p>Sales of tax-forfeited property. Allows a county to sell tax-forfeited properties on a contract for deed at a rate equal to the rate allowed for installment payment agreements (confessions-of-judgment), which is the higher of five percent or two percent over the prime rate.</p>	<p>Section 20. Same</p>
16	<p>Interest rate. Allows a taxpayer and the county to enter into an agreement to repurchase properties with delinquent taxes at an interest rate equal to the rate allowable under installment payment agreements (confessions-of-judgment), which is the higher of five percent or two percent over the prime rate.</p>	<p>Section 21. Same</p>
17	<p>Sustainable Forest Incentive Act withdrawal procedures. Allows an owner of forested land to withdraw from the Sustainable Forest Incentive Act (SFIA) program without a penalty when the state acquires either: (a) a conservation easement on the land enrolled, or (b) the land is subject to acquisition, easement, or lease by the state or another political subdivision of the state for the purpose of creating a paved public trail. The conservation easement must be at least as restrictive as the covenant required under the SFIA.</p>	<p>Similar, Article 11, section 11</p> <ul style="list-style-type: none"> • References “current owner of enrolled land” instead of “approved claimant” • Changes the length of time at which an owner of enrolled land can notify the commissioner regarding an intent to terminate enrollment from 4 years to half the number of years of the covenant’s minimum duration. Makes a corresponding change to the date on which termination occurs after receipt by the commissioner of the termination notice to reflect covenants that last 20 and 50 years. • Provides clarifying language regarding early withdrawal due to the acquisition of enrolled land by eminent domain. • In the paragraph allowing early withdrawal for the acquisition of a conservation easement, the senate version references conservation easements acquired by the “government or nonprofit entity” instead of the “state”. Also requires DNR to notify revenue of the lands that are eligible for withdrawal as a result of the acquisition of these types of easements. Also clarifies that the claimant must request withdrawal.

Sec.	Article 3: Property Taxes	Article 2: Property Taxes
		<ul style="list-style-type: none"> In the paragraph allowing early withdrawal for the acquisition of a fee or easement acquisition or lease for purposes of creating a public paved trail, the senate version requires DNR to notify revenue of the lands that are eligible for withdrawal as a result of these types of acquisitions and easements. Also clarifies that the claimant must request withdrawal.
18	Metropolitan area transit tax. Clarifies that the metropolitan council may not levy property taxes to pay for transit operations.	No comparable provision
19	Early termination of agricultural preserve. Allows a property's enrollment in the metropolitan agricultural preserves program to be terminated upon the death of an owner of the property. Provides that when an agricultural preserve is terminated under this provision, the property is subject to additional taxes equal to 50 percent of the current year's taxes.	Section 27. Same
20	Allowed commercial and industrial operations. Allows cell towers to be installed on property within a metropolitan agricultural preserve.	No comparable provision
21	Recreation levy for Sawyer by Carlton County. Reinstates and makes permanent authority for Carlton County to levy a tax within the unorganized territory of Sawyer for recreational purposes, limited to \$2,000 per year.	Section 28. Similar. Effective date is worded differently, requires "timely" compliance with section 645.021 and is effective for taxes payable in 2015 and "thereafter".
	No comparable provision	Section 30. Optional cancellation of tax-forfeiture for certain buildings. Authorizes St. Louis County to combine separate parcel identification numbers for buildings and the land upon which the buildings are located upon approval from the county board and the commissioner of revenue. If the buildings are in tax-forfeiture, the county shall cancel the certificate of forfeiture and cancel all unpaid property taxes, special assessments, and associated costs. \$1,000,000 is appropriated to St. Louis County to be used for the demolition of the buildings upon request by the landowner. Effective the day following final enactment.
	No comparable provision	Section 31. Study of production based valuation of agricultural land. Requires the commissioners of agriculture and revenue to conduct a study and prepare a report on the possibility of valuing agricultural land for property tax purposes based on the value of agricultural commodities produced minus the cost of agricultural production.
	No comparable provision	Section 32. Town of Tofte; municipal housing. Authorizes the town of Tofte to own and operate up to 12 units of housing for individuals over 55 years of age. The town shall have the powers of a city and an authority, and upon approval of the town board, may levy a tax not to exceed 0.0185 percent of estimated market value. Effective upon compliance by the governing body of Tofte with local approval and filing requirements.

Sec.	Article 3: Property Taxes	Article 2: Property Taxes
	No comparable provision	Section 34. Repealer. Repeals (i) the property tax exemption for agricultural containment facilities effective for taxes payable in 2015; (ii) the apportionment of the state general levy between commercial-industrial properties and seasonal recreational properties effective for taxes payable in 2016 and thereafter; and (iii) the definition of municipality and federal payment for the Lewis & Clark Regional Water System Project

Sec.	Article 4: Estate Taxes	
1	Estate tax filing requirement. Modifies the estate tax filing requirement to be consistent with the increase in the zero bracket (or exemption) amount proposed under sections 3 and 4.	No comparable provision
2	Domicile definition. Extends application of article 1, section 7's rules to the definition of domicile under the estate tax. Background. Residency status does not affect the estate taxation of tangible property (e.g., real estate, vehicles, jewelry, art, and so forth), but does determine whether intangible property (e.g., stocks, bonds, and bank accounts) are subject to Minnesota estate tax. (Minnesota real estate is subject to tax and tangible personal property is subject to tax if it is normally kept in Minnesota.)	Article 1, section 28. Same
3	Subtractions in computing estate tax. Modifies computation of the subtraction from the taxable estate for qualified small business and farm property to reflect the increases in the zero bracket amounts under section 4. The combination of these subtractions is limited to \$5 million minus the zero bracket amount (\$1.4 million for 2015 deaths). Thus, with section 4's phase up in the zero bracket or exemption amount to \$5 million for 2018 deaths, those subtractions would effectively be eliminated in 2018. Effective for 2019 deaths, the federal exclusion for the calendar year of the decedent's death would be allowed as a subtraction in computing the taxable estate, plus any amount of the federal deceased spouse unused exclusion amount (DSUEA) that the estate is entitled to. The federal exclusion amount for 2015 deaths is \$5.43 million and is indexed for inflation. The federal DSUEA allows a surviving spouse to inherit the portion of the federal exclusion amount that the deceased spouse did not use. This is often referred to as making the exemption or exclusion portable between the spouses without requiring them to divide ownership of their assets and establishing trust to avoid "wasting" the exclusion on the death of the first spouse. Taxable lifetime gifts made by the deceased spouse reduce this amount.	No comparable provision
4	Estate tax rate schedule. Modifies the estate tax rate schedule to phase up the zero bracket amount to \$5 million over four years – to \$2 million for 2015 deaths (versus \$1.4 million under present law) and in annual \$1 million increases after that. The rate schedule is compressed so that the current top rate of 16 percent becomes a flat rate for deaths in 2018 and thereafter.	No comparable provision
5	QTIP elections. Eliminates the ability to make QTIP elections that differ from the federal elections for estates of decedents dying after December 31, 2018, when the state and federal exclusion amounts will be equal under section 3.	No comparable provision
	No comparable provision	Article 1, section 29. Estate tax effects of eminent domain acquisitions. Provides that taxable estates electing to exclude qualified farm property will not

Sec.	Article 4: Estate Taxes	
		become liable for the 16 percent recapture tax solely because the property was acquired by an entity with the power of eminent domain within the three year holding period. Effective retroactively for estates of decedents dying after June 30, 2011.

Sec.	Article 5: Economic Development	Article 3: Local Development
1	<p>No state spending for certain rail projects. Prohibits using any state appropriation or grant to fund intercity or interregional rail between Rochester and the Twins Cities metropolitan area (“Zip Rail”). This limit applies to spending for any purposes related to the project – e.g., planning, design, engineering, land acquisition, construction, and operation. It does not apply to voluntary private contributions.</p> <p>Effective date: Day following final enactment</p>	No comparable provision
2	<p>Restrictions on leasing state property for Zip Rail project. Requires the commissioners of administration and transportation to include security bonds or similar guarantees against state loss in the agreements, if they lease state property for use as part of the Zip Rail project (e.g., leasing the highway right of way or air rights to the owner or operator of the project).</p> <p>Effective date: Day following final enactment</p>	No comparable provision
	No comparable provision	<p>Article 6, section 1. Provides for a tax credit of up to \$1 million for qualifying investments in a qualifying workforce housing project. For qualified project investors, the credit is 33 percent of the amount of the investment. The credit is allowed in the tax year that the qualified workforce housing project is certified for occupancy. Requires that the maximum amount of credits that may be allocated is \$5 million for tax year 2016 and \$7 million for tax years 2017-2021. Provides requirements for the taxpayer credit application process and requires that the commissioner of DEED notify the commissioner of revenue of the credit certificates issued. Prohibits the transfer of credits between taxpayers. Allows the commissioner of DEED to revoke credits and require the taxpayer to repay the credit amount if eligibility requirements are not met and credits have been allocated. Requires the commissioner of DEED to notify the commissioner of revenue of the credits that have been revoked and are subject to repayment. Requires the commissioner of DEED to provide a report to the chairs and ranking minority members of the Senate and House of Representatives committees on taxes and economic development. Effective beginning tax year 2016.</p>
3	<p>Title. Provides the title of the statutory chapter (sections 3 to 14) is the “Minnesota New Markets Jobs Act.”</p>	No comparable provision
4	<p>Definitions. Defines terms for purposes of the new markets tax credit statute. These include:</p> <ul style="list-style-type: none"> • Affiliate is to be determined by considering all the relevant facts and circumstances related to an equity investment. In making this determination all of the information provided in the application is assumed to be true. Affiliates specifically include any entity that holds an equity investment in the qualified community development entity and 	No comparable provision

Sec.	Article 5: Economic Development	Article 3: Local Development
	<p>any entity that provides insurance or a guarantee to a recipient of the tax credit.</p> <ul style="list-style-type: none"> • Applicable percentage is used to determine the percentage rate of the credit for each taxable year under section 5. It is 0 for years 1 and 2; 8 percent for years 3 to 6; and 7 percent for year 7. Thus, the total credit percentage is 39 percent (8% * 4 + 7% = 39%). • Code means the version of the Internal Revenue Code that applies to the Minnesota income and corporate franchise taxes under chapter 290. • Commissioner is the commissioner of DEED. • Credit allowance date means the day on which the qualifying equity investment was made and that day of each of the six succeeding calendar years. • Long-term debt security means a debt security issued by a qualified community development entity that meets the following requirements. (These limits are designed to prevent debt from being used to transfer the credit to holders of the debt before the 7-year term of the credit is up.): <ul style="list-style-type: none"> ▪ Must be issued at par value; ▪ Have a minimum maturity of 7 years (i.e., the same term as the tax credit); ▪ Prohibit acceleration or prepayment, unless the issuer defaults; ▪ Cannot allow for cash interest payments during the credit allowance period (first seven years) that exceed cumulative operating income as defined by federal law; • Purchase price is the amount paid to the issuer for a qualified equity investment. • Qualified active low-income community businesses are the defined businesses that can benefit from an investment that qualifies for the tax credit. These businesses must meet the requirements of the federal credit and must be engaged in one of the following fields or lines of business: <ul style="list-style-type: none"> ▪ A high technology field as defined under the Minnesota angel credit; ▪ Manufacturing; ▪ Mining; ▪ Forestry. <p>A business does not qualify if it receives 15 percent or more of its revenue from one or more of the types of businesses that are disqualified under the angel tax credit law. Disqualified businesses include real estate</p> 	

Sec.	Article 5: Economic Development	Article 3: Local Development																
	<p>development, financial services, wholesale or retail trade, hospitality, or professional services.</p> <ul style="list-style-type: none"> • Qualified community development entity is defined by reference to federal law. To qualify an entity must have an agreement with the U.S. Treasury Department allocating it a federal credit for investments located in Minnesota. Subsidiary or affiliated entities are treated as one for purposes of the application. Financial institutions do not qualify unless they are chartered or headquartered in Minnesota. • Qualified equity investment means an equity investment in or a long-term debt security issued by a qualified community development entity after January 1, 2016. The securities must be purchased for cash, all of which is used to invest in qualified active low-income community businesses. The investment cannot qualify for federal new markets tax credits if the proceeds are used to make investments in other qualified community development entities. • Qualified low-income community investment means an investment or loan to a qualified active low-income community business. A \$10 million limit applies to the investments that can be made in one qualified active low-income community business, including investments made by different qualified community development entities. • Tax liability is the individual income, corporate franchise, insurance premium taxes. 																	
5	<p>Credit established. Allows an investor that purchases a qualified equity investment to claim a credit against its tax liability. (This includes the retaliatory tax that a foreign insurance company may be subject to because its state of domicile imposes a higher insurance tax than Minnesota does.) The amount of the credit equals the applicable percentage for the year multiplied by the amount of the investment. The table below shows the credit rates (this is derived from the definition of “applicable percentage” in section 4):</p> <table border="1" data-bbox="272 2091 760 2491"> <thead> <tr> <th>Years after the investment is made</th> <th>Applicable percentage</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0</td> </tr> <tr> <td>1</td> <td>0</td> </tr> <tr> <td>2</td> <td>8%</td> </tr> <tr> <td>3</td> <td>8%</td> </tr> <tr> <td>4</td> <td>8%</td> </tr> <tr> <td>5</td> <td>8%</td> </tr> <tr> <td>6</td> <td>7%</td> </tr> </tbody> </table>	Years after the investment is made	Applicable percentage	0	0	1	0	2	8%	3	8%	4	8%	5	8%	6	7%	No comparable provision
Years after the investment is made	Applicable percentage																	
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Sec.	Article 5: Economic Development	Article 3: Local Development
	If the credit exceeds the liability for tax, the excess is a carryforward to later tax years. There is no limit on the length of the carryforward.	
6	Transferability. Provides that the tax credits are not refundable and may not be sold on “the open market.” However, an investor may transfer credits to an affiliated insurance company and a partnership or LLC may allocate the credits to partners or members (this authority provides <i>de facto</i> transferability to “tax credit partners” or shareholders). Notification of a transfer to an affiliated company must be provided to DEED in writing.	No comparable provision
7	<p>Certification of qualified equity investments. Authorizes qualified community development entities to apply to DEED for tax credits. DEED is required to begin accepting applications by December 31, 2016. Applications must include:</p> <ul style="list-style-type: none"> • Evidence that the entity is certified by the U.S. Treasury Department as a qualified entity for locations in Minnesota; • A copy of the federal allocation agreement and certification that the allocation remains in effect; • A description of the qualified investment and the identity of the initial purchaser; • The minimum allocation that the applicant is willing to accept; • Description of the plan for use of the funds; • A nonrefundable application fee of \$5,000. <p>The commissioner is directed to grant or deny the application within 30 days. The department must inform the applicant of the reason for any denial of the application or if accepted, notify the applicant in writing of the certification. The qualified community development entity must notify DEED in writing of the entities eligible to claim the credits, including any changes as a result of transfer to an affiliate.</p> <p>The section authorizes DEED to certify \$250 million in investments. (This could generate up to \$97.5 million in tax credits, given the 39 percent credit rate.) DEED is required to award the credits to qualifying applications on a first-come-first-served basis. Approved community development entities can transfer their authority to controlling or subsidiary entities. The approved entities are to issue the securities and obtain cash investments within two years after approval and to notify DEED with ten days after they receive the cash. If they don’t receive the investment within the two-year period, the certification lapses and DEED may reissue that amount.</p>	No comparable provision
8	Disallowance of tax credits and penalties. Provides for proportionate disallowance of the tax	No comparable provision

Sec.	Article 5: Economic Development	Article 3: Local Development
	<p>credits if the issuer (the qualified community development entity):</p> <ul style="list-style-type: none"> • Redeems or makes a principal repayment of the investment; • Fails to invest all of the proceeds in a qualified low-income community investment in Minnesota within 12 months and maintains the investment for the duration of the credit; or • Uses the proceeds for a prohibited purpose. <p>Recapture does not apply to tax credits already claimed by the insurance companies that made the investment. A penalty may also be imposed on the issuer up to one-half of one percent of the equity investment.</p>	
9	Notice of noncompliance. Allows an entity six months to cure a notice of the disallowance of a tax credit under section 8.	No comparable provision
10	Preapproval of investments. Authorizes a qualified community development entity to request a written determination from DEED as to whether an investment qualifies for the credit. DEED is required to respond within ten days and is bound by the determination.	No comparable provision
11	No management by other CDEs. Prohibits a qualified low-income community business entity that receives an investment qualifying from contracting with another entity to manage its investment if that entity is performing those functions for another qualified community development entity.	No comparable provision
12	Eminent domain. Prohibits use of Minnesota eminent domain law by the state, a local government, or a private railroad company for the Zip Rail project.	No comparable provision
	No comparable provision	Article 6, section 2. Workforce housing. Authorizes the tax credit in the amount certified by DEED in article 6, section 1, to be claimed against the individual income or corporate franchise tax. Credits allowed for partnerships, LLCs taxed as partnerships, or S corporations are allocated to partners, members, or shareholders on a pro rata basis. Credits allowed for corporations that are partners in a partnership are limited to the corporation's tax liability or the amount of tax separately computed with respect to the corporation's interest attributable to the business, trade, or entity, whichever is less. The credit is nonrefundable and may be carried forward up to ten years. Effective beginning tax year 2016.
13	New markets tax credit; individual income and corporate franchise taxes. Allows the new markets tax credit to be claimed against the corporate franchise and individual income taxes for the amount certified by DEED for the taxable year. DOR retains audit powers, notwithstanding the certification by DEED.	No comparable provision

Sec.	Article 5: Economic Development	Article 3: Local Development
14	<p>New Markets credit; insurance premiums tax. Modifies the insurance premium tax to define “qualified equity investment” by reference to section 4’s definition of that term and allows an insurance company that invests in a qualified equity investment to claim a credit against the premium tax equal to the credit calculated under section 5.</p> <p>Calculation of police and fire aid is explicitly provided to be unaffected by allowance of the credit.</p>	No comparable provision
15	<p>No local spending for Zip Rail project. Prohibits any city, county, or special taxing district (e.g., housing and redevelopment authority, port authority, or economic development authority) in Development Regions 10 or 11 and the DMC entities from spending public money (other than voluntary private contributions) on the Zip Rail project, parallel to the limits on state spending in section 1. Regions 10 and 11 include the following counties: Anoka, Carver, Dakota, Dodge, Fillmore, Freeborn, Goodhue, Hennepin, Houston, Mower, Olmsted, Rice, Scott, Steele, Wabasha, Washington, and Winona.</p> <p>Effective date: Day following final enactment</p>	No comparable provision
16	<p>Border city aid. Provides an annual \$1 million allocation for border city aid. This aid would be allocated among the five qualifying cities (Breckenridge, Dilworth, East Grand Forks, Moorhead, and Ortonville) on a per capita basis. The city could choose whether to use the allocation for the regular border city enterprise zone program or the border city development zone program. Allocations are used to provide tax reductions to businesses in the cities (either new or expanding businesses or existing businesses). The allocations would remain available until used. In the past, allocations have been made for these programs on a one-time (not permanent) basis.</p> <p>Effective date: July 1, 2015</p>	<p>Article 12, section 24 allocates \$2,000,000 for border city aid. This is a one-time allocation. The Senate does not include the House language that the allocations are available until used and do not cancel. In the past, unused allocations have remained available until used and have not canceled. (The cancellation provisions under section 16A.28 apply to appropriations; these allocations of tax reductions are not considered appropriations.)</p>
17	<p>Economic development districts. Modifies the definition of economic development districts to authorize the municipality to make the alternative findings for workforce housing projects authorized by section 19.</p>	<p>Article 6, section 3. Same</p>
18	<p>Definition of administrative expenses. Modifies the definition of administrative expenses under the TIF statute to exclude expenditures by the development authority for usual and customary maintenance costs to preserve property the city or development authority owns. (This exclusion is limited to properties that are acquired with TIF; it could not be used for general city property, such as city offices or public works or safety facilities.) These expenditures include capital reserves for the qualifying properties, but not to exceed 10 percent of the market value of the property. Administrative expenses are subject to a limit of the lower of 10 percent of (1) the total increment expenditures for</p>	No comparable provision

Sec.	Article 5: Economic Development	Article 3: Local Development
	<p>the project or (2) the estimated expenditures in the TIF plan.</p> <p>Effective date: day following final enactment for all TIF districts</p>	
<p>19</p>	<p>TIF plan approval; workforce housing projects. Specifies the findings that a city must make to approve an economic development TIF district for workforce housing:</p> <p>No comparable provisions to items (1) to (3) in the Senate bill</p> <ul style="list-style-type: none"> • the city is located outside the Twin Cities metropolitan area (defined by reference to the Metropolitan Council’s jurisdictional area); • average vacancy rate for rental housing in the city and any other city within 15 miles is 3 percent or less for at least the last two years; • a business in the city or within 15 miles of the city that employs 20 or more full-time equivalent employees has provided a written statement that the lack of available rental housing has made it difficult to hire employees; and <p>No comparable provision to item (7) in the Senate bill</p> <ul style="list-style-type: none"> • the municipality and city intends to use increments to develop workforce housing, including manufactured homes, modular homes, and manufactured housing parks, to serve businesses in the municipality. <p>House has no expiration date</p>	<p>Article 6, section 4. Similar with more extensive and different findings than the House:</p> <ol style="list-style-type: none"> (1) the city has a population greater than 1,000; (2) having a median number of full-time jobs of at least 500 for the last five years; (3) located in a census block with a population density over 200 persons per square mile; (4) located in an area served by a joint city-county development authority or outside the counties of Anoka, Benton, Carver, Chicago, Dakota, Hennepin, Isanti, Olmsted, Ramsey, Scott, Sherburne, Stearns, Washington and Wright; (5) same except vacancy rate is 4 percent; (6) at least one business in the municipality or within 15 miles of the municipality that employ a minimum of 20 full-time employees have provided a written statement stating that the lack of available rental housing has impeded their ability to hire and recruit employees; (7) fewer than four market rate residential rental units per 1,000 residents were constructed in the city in the last ten years without governing financing, grants, or other subsidies; and (8) similar with some language differences on manufactured housing and modular homes <p>The authority to request certification of districts under this section expires June 30, 2020.</p>
<p>20</p>	<p>Authority to expend increments. Modifies the general statute restricting the use of tax increments to permit spending for the maintenance expenditures that are described in section 18 (subject to the percentage restrictions on administrative expenses). In addition, cumulative payments for operations and maintenance of properties, including to fund a capital reserve for the property, cannot exceed 10 percent of the property’s market value.</p> <p>Effective date: Day following final enactment for all TIF districts</p>	<p>No comparable provision</p>
<p>21</p>	<p>Economic development district. Allows the spending of increments from an economic development district for workforce housing</p>	<p>Article 6, section 5. Same</p>

Sec.	Article 5: Economic Development	Article 3: Local Development
	<p>projects. Economic development districts are allowed to collect increment for 9 years.</p> <p>Under present law, economic development districts increment may only be used for:</p> <ul style="list-style-type: none"> • manufacturing; • research and development; • warehousing; • telemarketing; or • tourism in qualifying counties. 	
22	<p>Housing districts; income limits. Allows the higher income limits under the Minnesota Housing Finance Agency (MHFA) Housing Challenge Program to be used for housing TIF districts, if the project receives an MHFA grant or loan. Similarly, if the project receives a grant from DEED for workforce housing, the income limits under the grant (if any) would apply instead of the limits under the TIF statute. Projects receiving grants are “deemed” to be TIF housing projects; this prevents the general (verbal) income targeting under the TIF definition of housing districts from applying, if it is thought to be more stringent than the grant program (e.g., DEED grants without income limits).</p>	<p>Article 6, section 6. Similar; does not include references to DEED grants and provides that the MHFA Challenge income limits are substituted for the TIF income limits. Does not contain House’s deeming language.</p>
23	<p>Definition of increment under five-year and pooling rules. Modifies the definition of tax increment that is subject to the five-year rule (imposing time limits on spending increments) and the pooling rule (imposing percentage geographic limits on spending increments) to exclude increments that are repaid by developers under agreements.</p> <p>Effective date: Districts for which the request was made after the day following final enactment</p>	<p>Section 1. Same</p>
24	<p>Pooling limits; application to increments. Clarifies that the percentage pooling rules only apply to increment derived from properties located in the TIF district.</p> <p>Effective date: Districts for which the request was made after the day following final enactment</p>	<p>Section 2. Same</p>
25	<p>Five-year rule; application to increments. Modifies five-year rule reference to increments to be consistent with the change made in section 24.</p> <p>Effective date: Districts for which the request was made after the day following final enactment</p>	<p>Section 3. Same</p>
26	<p>Interfund loans. Modifies the interfund loan provisions of the TIF statutes to make it easier for cities and development authorities to make and document interfund loans. The changes include:</p> <ul style="list-style-type: none"> • Allowing loans to be made up to 60 days after the money has already been transferred or spent. (Under present law, the loan terms must be set before the loan is made.) • Allowing the development authority to delegate to a staff person the ability to set the terms and conditions of the loan. (Under present law, these terms must be set by the 	<p>Section 4. Similar</p> <p>Same</p> <p>No comparable provision</p>

Sec.	Article 5: Economic Development	Article 3: Local Development
	<p>resolution that is passed by the governing body.)</p> <ul style="list-style-type: none"> • Authorizes passage of the resolution authorizing interfund loans before the TIF plan is approved. (Under present law, it is unclear whether the resolution can authorize interfund loans for TIF districts that have not yet been created.) • Authorizes the development authority to rewrite loan terms after the loan has been made so long as it is done before the TIF district that provided increment is decertified. <p>The section allows the use of interfund loans to pay for (without a prior resolution or documentation):</p> <ul style="list-style-type: none"> • Administrative expenses • Planning, inspection, architectural, engineering, soil testing, surveying and similar costs that are incurred before creation of a TIF district • Transfers in excess of a negative balance for a less than 12-month period <p>Effective date: day following final enactment for all TIF district</p>	<p>Minor language differences</p> <p>Same, except for “appropriate officer thereof”</p> <p>No comparable provision</p>
		<p>Article 2, section 26. Authority; limit. Modifies a provision passed in the 2014 tax bill relating to the Lewis & Clark Regional Water System Project by authorizing the city of Worthington to issue the bonds up to a maximum amount of \$50,000,000. Effective the day following final enactment without local approval.</p>
27	<p>Public infrastructure project. Modifies the definition of “public infrastructure project” under the Destination Medical Center (DMC) law to clarify that it includes amounts spent on planning. Most amounts spent for planning already qualify as part of preparation of the development plan; this would expand it to planning other than for the development plan. Amounts spent for the “public infrastructure project” may be paid with either state aid or city taxes; amounts spent out of city taxes qualify as a local match.</p>	<p>Article 12, section 25. Same</p>
28	<p>DMC, relationship of EDA and city. Clarifies the relationship between the city and nonprofit economic development agency (EDA), a private entity created by the Mayo Clinic. Prohibits the EDA from requiring the city to pay amounts that are unrelated to public infrastructure project costs. Under the DMC law, public infrastructure costs are defined items (largely for physical improvements and associated planning and other soft costs) that support the Mayo Clinic’s development plans, as provided under the DMC development plan.</p>	<p>Article 12, section 26. Same</p>
29	<p>City special taxes. Clarifies that the special Rochester city sales tax (on lodging, food and beverages, and admissions) may be spent for any purposes that qualify as a local matching</p>	<p>Article 12, section 27. Same</p>

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	contribution under the DMC aid program. Section 31 expands the definition of what counts under the local match; this section allows city special sales tax receipts to be spent for those purposes.	
30	City general sales tax. Clarifies that the Rochester city general sales tax may be spent for any purposes that qualify as a local matching contribution under the DMC aid program. Section 31 expands the definition of what counts under the local match; this section allows city general sales tax receipts to be spent for those purposes.	Article 12, section 28. Same
31	Local matching contribution. Provides that any city money spent to support the DMC Corporation or the EDA qualifies as a local matching contribution under the state aid program. Under present law, one-half of amounts spent for the corporation's operating and administrative costs do not qualify as a local match.	Article 12, section 29. Similar, but Senate ends the provision on June 30, 2020, when the one-half rule would resume.
32	No Met Council spending for Zip Rail project. Prohibits the Metropolitan Council from spending public money (other than voluntary private contributions) on the Zip Rail project, parallel to the limits on state spending in section 1. Effective date: Day following final enactment	No comparable provision
33	Duluth; TIF. Modifies a 2009 special TIF law for the Seaway Port Authority of Duluth by adding four parcels to the area in which the district may be created and authorizes the use of interfund loans prior to approval of the TIF plan for any purpose that tax increments may be spent for. This authority applies to a resolution of the port authority adopted on or after March 25, 2010, and preempts application of the rules adopted by section 26.	No comparable provision
34	Eagan; TIF. Modifies the local approval method for the portion of the 2014 special law that authorized the city of Eagan to extend the duration of its Cedar Grove TIF district. Under the 2014 special law and as required by general law (Minn. Stat. § 469.1782, subd. 2) for extension of the duration of TIF districts, approval of the special law required approval by the city, county, and school district that contained the TIF district. Both the city and county approved the law, but the school failed to take action. As a result, the special law authorizing extension of the district did not take effect. (Portions of the special law unrelated to the duration extension did take effect, because the city approved them.) The provision allows the extension to take effect if one or more of the three local units approve the 2014 special law (provided the city approves). If either the county or school district do not approve the extension, the increment that is attributable to their levies would be paid to them, rather than the city. This would hold them harmless from the effect of the extension on their ability to tax the TIF district's property, which is the reason the general law requires their approval. In the case of the	No comparable provision

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	<p>school district, the school would be required to report the amount of revenue it receives to the Department of Education, so that its state aid could be recomputed. The school would receive the revenue from its unequalized levies, but the amount attributable to school levies that are equalized by state aid would trigger recalculation of the school's aid. This may result in a reduction in the state aid although it would not affect the school's total revenue (i.e., the increment received may substitute for state aid).</p> <p>Effective date: Local approval by city and other units to capture increments attributable to their levies</p>	
35	<p>Coon Rapids; TIF. Allows the city of Coon Rapids to elect to compute tax increment for one TIF district (District 6-1 Port Riverwalk) using the current tax rate, not the original tax rate in effect when the district was certified. This will increase increment revenues, since the original tax rate cannot be higher than the current rate.</p>	<p>Section 5. Different. Extends, by five years, the duration of TIF District No. 6-1 (Port Riverwalk) in the city of Coon Rapids. Effective upon compliance by the governing bodies of the city of Coon Rapids, Anoka County, and Independent School District No. 11 with approval and filing requirements.</p>
36	<p>Cottage Grove; TIF. Extends the five-year rule for TIF District No. 1-12 (Gateway North) in the city of Cottage Grove to allow expenditures until January 1, 2017. This district was certified in 2002, so that the extension is a 10-year extension of the five-year period.</p> <p>Background information. The five-year rule requires 75 percent (for redevelopment districts) of tax increment revenues derived from a TIF district to be spent on activities within the TIF district during the five-year period after decertification. After the fifth year, money may only be spent to (1) pay bonds or contracts that financed improvements, if bonds were issued before the end of the five-year period, or (2) reimburse the developer for costs it paid to make improvements in the district during the first five years. When sufficient money has been set aside, the district is decertified.</p>	<p>Section 6. Same</p>
37	<p>Richfield; TIF. Authorizes the city of Richfield and its Housing and Redevelopment Authority (HRA) to extend the duration of the Cedar Avenue TIF district by ten years. This district was established under a 2005 special law as a redevelopment district and has a duration limit of 25 years after receipt of the first increment. As a result, the bill would authorize a 35-year duration.</p> <p>The 2005 special law exempted the district from the five-year rule and the requirement that 95 percent of redevelopment district increments must be used to correct the conditions that allowed designation of a redevelopment district (e.g., the presence of substandard buildings, abandoned rail yards, or similar).</p>	<p>Section 7. Same</p>
38	<p>St. Paul; TIF. Allows the city of St. Paul additional time to request certification of a redevelopment district using the general law "deeming" provision for two parcels, consisting of the old Ford Motor Company assembly plant site. The deeming</p>	<p>Section 8. Similar. Authorizes St. Paul to establish one or more redevelopment tax increment financing districts and provides for an exception to the blight test for establishing redevelopment districts and pooling requirements except that expenditures for</p>

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	<p>provision allows a city in applying the redevelopment district test to deem a parcel as blighted (i.e., occupied by a substandard building) if the city or the developer has already removed a substandard building from the parcel and requests certification with three years. The section extends that 3-year period through December 31, 2020.</p>	<p>activities outside the area are limited to the percentage limits under current law, also exempts districts from requirement that 90% of increment be used to correct conditions that allowed designation of the district. The authority to request certification expires on June 30, 2020 unless the city has requested certifications of at least one district. Effective upon approval by the city of St. Paul with local approval and filing requirements.</p>
<p>39</p>	<p>Taylor Falls; border city development zone. Allows the City of Taylor Falls to designate all or any part of the city as a border city development zone and allocates \$100,000 to the city to provide state tax benefits under the zone.</p> <p>The general law rules for border city development zones apply to these zones. This law allows businesses locating or expanding in designated zones to qualify for property tax exemptions, corporate franchise tax credits, and sales tax exemptions. Cities with these powers also can extend some of these benefits to businesses located within their cities, but outside a development zone. To receive these tax reductions, a business must apply to the city in which it is located. Under present law, the cities of Breckenridge, Dilworth, East Grand Forks, Moorhead, and Ortonville have these border city development zone powers and periodically have received state funding for these zones. (Luverne received one-time funding in 2001.)</p>	<p>No comparable provision</p>
<p>40</p>	<p>Wayzata; TIF. Exempts TIF #3 (Widsten) in the city of Wayzata from the five-year rule to allow the city to use increment from the district for a municipal parking ramp. This district is a redevelopment district for which certification was requested in 1996.</p>	<p>No comparable provision</p>
		<p>Article 2, section 33. Appropriation. Appropriates \$1,130,000 in fiscal year 2016 only from the general fund to the commissioner of revenue for a grant to Hennepin County. Of this amount, \$880,000 must be used for the North Branch Library EMERGE Career & Technology Center, and \$250,000 must be used for the Cedar Riverside Opportunity Center.</p>
		<p>Article 2, section 34, paragraph (c). Repealer. Repeals the definition of municipality and federal payment for the Lewis & Clark Regional Water System Project.</p>

Sec.	Article 6: Sales and Use Taxes	Article 4: Sales and Use Taxes
1	<p>Sales and use tax. Requires vendors to remit the net sales tax liability which is defined as the gross liability minus the vendor allowance in section 8.</p> <p>No comparable provision</p>	<p>Section 1. Different</p> <p>Reduces the percentage of estimated liability required for the June payment from 81.4 percent to 80 percent. Effective July 1, 2015.</p>
	<p>No comparable provision</p>	<p>Section 2. Accelerated payment of June liability; penalty for underpayment. Reduces the estimated payment to avoid penalty for the June payment from 81.4 percent to 80 percent. Effective July 1, 2015.</p>
2	<p>Refunds; non-highway use. Allows refunds of the highway fuels excise tax for off-road use of special fuels (diesel fuel) used:</p> <ul style="list-style-type: none"> • For refrigeration units on a licensed motor vehicle, if the unit has its own motor and fuel tank • In unlicensed motor vehicles used to move semi-trailers in cargo yards, warehouses, and intermodal facilities • For power takeoff units in licensed motor vehicles (no requirement to have a separate fuel tank applies). <p>Effective for sales and purchases after June 30, 2015.</p>	<p>No comparable provision</p>
3	<p>Sales and purchase. Eliminates digital products from the definition of taxable sales and purchases.</p> <p>Effective for sales made after June 30, 2015.</p>	<p>No comparable provision</p>
4	<p>Retail sale. Modifies the definition of retail sale to specifically exclude the installation of modular housing on a permanent foundation by the manufacturer or the manufacturer's subcontractor. The sales tax will now applies to the value of the modular house, before installation, rather than the total value of the housing after installation. Also eliminates the provision stating that the sale of a digital code used to access digital products is a taxable sale.</p> <p>Effective for sales and purchases after June 30, 2015.</p>	<p>No comparable provision</p>
5	<p>Bundled transaction. Eliminates a cross reference to digital products.</p>	<p>No comparable provision</p>
6	<p>Manufactured housing and park trailers; modular housing. Imposes the sales tax on modular housing used for residential purposes on 65% of the invoice price. This is similar to the tax treatment of manufactured housing and park trailers.</p> <p>Effective for sales made after June 30, 2015.</p>	<p>Section 3. Same</p>
7	<p>Applicability. Eliminates a cross reference to digital products.</p>	<p>No comparable provision</p>
8	<p>Sourcing rules. Eliminates a cross reference to digital products.</p>	<p>No comparable provision</p>
9	<p>Multiple points of use. Eliminates a cross reference to digital products.</p>	<p>No comparable provision</p>

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10	Advertising and promotional direct mail. Eliminates a cross reference to digital products.	No comparable provision
11	Prepaid wireless calling service. Eliminates a cross reference to digital products.	No comparable provision
12	Accessories and supplies. Expands the sales tax exemption for accessories and supplies required for use of durable medical equipment to include purchases covered by any insurance plan. Currently these accessories and supplies are exempt when purchased for home use or if the purchase is covered by Medicare or Medicaid. Effective for sales made after June 30, 2015.	Section 4. Similar. Retroactive effective date to April 1, 2009. Allows refund for taxes paid if the tax was not collected from purchaser. Refund requests must be filed after June 30, 2015 and before July 1, 2016.
13	Instructional materials. Expands the existing sales tax for the purchase of instructional materials to explicitly include: <ul style="list-style-type: none"> • charts and models used in the course of study; • pens, pencils, paper, and other art supplies used in art classes; and • tools, equipment, and supplies required for obtaining a degree or certification, even if these items are normally used in the practice of the trade or career. An example would be special scissors for hairdressing. Effective for sales and purchases made after June 30, 2015.	No comparable provision
14	Propane tanks. Exempts from sales tax the purchase of propane tanks of 100 gallons or larger capacity. Effective the day after final enactment and expires December 2017.	No comparable provision
15	Precious metal bullion. Exempts sales of precious metal bullion and bullion coins from the sales tax, to give it the same tax treatment as other investment interests such as stocks and bonds. Defines precious metal bullion to be 90% by weight of one of the listed precious metals, in the form of rounds, bars or similar, and bought and sold at the spot market price. Bullion coins are defined as coins consisting of at least 90% by weight of one of the listed precious metals. Effective for sales and purchases made after June 30, 2015.	Section 5. Similar. Provides an upfront sales tax exemption for precious metal bullion sold by registered dealers and are required to be reported under current Internal Revenue Code procedure. Excludes jewelry, certified or graded coins, numismatic coins, or art works from the exemption. Effective for sales and purchases made after June 30, 2015.
	No comparable provision	Section 6. Car seats exemption. Provides an upfront exemption for infant and child car seats and booster seats that meet federal child passenger restraint requirements. Effective for sales and purchases made after June 30, 2015.

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16	<p>Capital equipment. Explicitly includes machinery and equipment used by restaurants to prepare and serve food in the capital equipment exemption. Currently this equipment is explicitly excluded from this exemption.</p> <p>Effective for sales and purchases made after June 30, 2015.</p> <p>No comparable provision</p>	<p>Section 7. Different.</p> <p>Removes fiber and conduit from the exclusion in the definition of capital equipment. Wire, cable, and poles continue to be excluded.</p>
17	<p>Petroleum products. Expands the current exemption for the fuel purchases exempted from the highway fuels excise tax to the fuel exempt from the fuels excise tax in section 1. Fuel that is not taxed under the excise tax is otherwise subject to the general sales tax.</p>	<p>No comparable provision</p>
	<p>No comparable provision</p>	<p>Section 8. Telecommunications equipment exemption modification. Includes fiber and conduit in the sales tax exemption for telecommunications equipment. Effective for sales and purchases made after June 30, 2015.</p>
18	<p>Sales to nonprofits. Expands the sales tax exemption for sales to nonprofit charitable organizations to include sales to all 501(c)(3) organizations with a state sales tax identification number, when the item is purchased for use in the performance of their exempt function. Lodging, and prepared food and beverages, and most motor vehicle leases remain taxable. Construction materials purchased by contractors and subcontractors are now exempt under section 24.</p> <p>Nonprofits organizations that have exemptions for their purchases under another subdivision in law are explicitly excluded from this exemption. These include veterans groups; hospitals, outpatient surgical centers, and critical access dental providers; and nursing home and boarding care facilities. Medical facilities that are excluded from the existing exemption for hospitals, outpatient surgical centers, and critical access dental providers are also excluded from the exemption in this section.</p> <p>Effective for sales and purchases made after June 30, 2015.</p>	<p>Section 9. Same.</p>
19	<p>Nonprofit tickets and admissions. Expands the sales tax exemption for tickets or admissions to performances or events held by a nonprofit agricultural heritage organization provided that the following conditions are met:</p> <ul style="list-style-type: none"> • the nonprofit organization has premises of at least 115 acres and is organized to educate the public about rural history and farms in Minnesota; • the event is sponsored and conducted exclusively by volunteers, employees, and board members of the nonprofit organization; and 	<p>No comparable provision</p>

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	<ul style="list-style-type: none"> the performance or event is consistent with the nonprofit's tax-exempt purpose. <p>The only organization that would qualify for the exemption is FarmAmerica.</p> <p>Effective the day after final enactment</p>	
20	<p>Fundraising events sponsored by nonprofit groups. Extends the allowed duration of a short term lease for premises used for tax exempt fundraising events from 5 days to 10 days. Currently if a non-profit holds an event on premises that it leases for more than 5 days but fewer than 30 days, the sales at the event are subject to sales tax.</p> <p>Effective for sales and purchases made after June 30, 2015.</p>	Section 10. Same.
21	<p>Animal shelters. Provides a sales tax exemption for most purchases and sales made by nonprofit animal shelters.</p> <p>Paragraph (a) defines nonprofit animal shelters that qualify for the exemption.</p> <p>Paragraph (b) exempts most purchases of items used directly in the activities of rescuing, sheltering, and finding homes for unwanted animals.</p> <p>Paragraph (c) exempts the purchase or adoption price of the animals and the shelter's sale of pet supplies and equipment.</p> <p>Paragraph (d) exempts fundraising sales made by an animal shelter.</p> <p>Effective for sales and purchases made after June 30, 2015.</p>	Section 11. Similar. Exempts the sales of animals by nonprofit animal shelters from sales tax. Effective for sales and purchases made after June 30, 2015.
22	<p>City celebrations. Provides a sales tax exemption for sales at and admissions to a city designated annual celebration to promote community spirit. To qualify for the exemption the following conditions must be met:</p> <ul style="list-style-type: none"> city population of less than 10,000; city celebration must last no more than 5 consecutive days; the event must be run by the city or a non-profit organization designated by the city; all receipts from the event are accounted for by the city or nonprofit; and the entire proceeds, minus expenses must go to the city, or one or more 501(c)(3) or 501(c)(4) organizations and used strictly for charitable, educational, civic, or governmental purposes. <p>The exemption does not apply to events involving bingo or gambling activities and all sales become taxable if the requirements listed above are not met.</p> <p>Effective for sales after June 30, 2015.</p>	No comparable provision
23	<p>Admissions; certain BMX tracks. Exempts from sales tax admissions to a BMX track owned and operated by a 501(c)(3) organization provided the</p>	No comparable provision

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	track is sanctioned by a national or regional governing body for bicycle motocross racing. Effective with sales made after June 30, 2015.	
24	Building materials; resorts and recreational camping areas. Provides a sales tax exemption for construction materials and supplies and equipment incorporated in the improvement of an existing structure at a resort or a private or public campground. The structure may be a cabin or any other structure for use by the resort guests or the campers. It does not apply to construction of new buildings. This would apply to materials regardless of whether purchased by the resort or campground owner or a contractor, subcontractor, or builder. Effective for sales and purchases made after June 30, 2015.	No comparable provision
25	Construction materials purchased by contractors, exemption for certain entities. Provides a sales tax exemption for building materials purchased by a contractor, subcontractor, or builder under a lump sum contract for buildings and facilities used directly by local governments and a number of nonprofit organizations that have sales tax exemptions for their direct purchases. Materials purchased by contractors for constructing public infrastructure owned by school districts and local governments are also exempt. The contractor, subcontractor, or builder must pay the sales tax at the time the materials are purchased and the owner of the facility must apply for the refund as provided in sections 26 to 28.	No comparable provision
26	Tax collected. Provides a refund for taxes collected under section 25.	No comparable provision
27	Refund eligible persons. Provide that the tax exempt entity that owns the facility or infrastructure must apply for the refund of taxes paid under section 25.	No comparable provision
28	Application. Requires the contractor, subcontractor or builder to give the nonprofit organization or local government the documentation needed to apply for refund of the tax paid under section 25.	No comparable provision
29	Tax must be remitted. Allows a retailer to not remit the amount of sales tax collected equal to the gross tax collected minus the vendor allowance computed in section 30.	No comparable provision
30	Vendor allowance. Allows vendors to retain a portion of sales tax collected as compensation for administrative costs. The allowance is equal to 0.3% of the first \$10,000 remitted during a reporting period and 0.15 % of the tax collected above \$10,000 for each reporting period. The vendor allowance does not apply to use tax on a vendor's own purchases. Effective for taxes remitted after June 30, 2016.	No comparable provision
	No comparable provision	Section 12. Moist snuff tax modification. Specifies that the tax on a container of moist snuff weighing less than 1.2 ounces is the greater of

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		\$2.90, or 95 percent of the wholesale price. For containers equal to or more than 1.2 ounces, the tax is the greater of \$2.90 times the number of ounces of moist snuff in the container divided by 1.2, or 95 percent of the wholesale sales price. Effective July 1, 2015.
	No comparable provision	Sections 13 and 14. June accelerated remittance modification. Reduces the percentage of estimated liability required for the June payment from 81.4 percent to 80 percent for cigarette and tobacco products taxes and alcohol taxes. Effective July 1, 2015.
	No comparable provision	Section 15. Solid waste management tax; construction debris. Provides that the commissioner of revenue, after consultation with the commissioner of the Pollution Control Agency, shall determine, and may publish by notice, a conversion schedule for construction debris. Effective for sales and purchases made after June 30, 2015.
	No comparable provision	Sections 16 and 17. Local lodging taxes; application to accommodations intermediary charges. Specifies that local lodging taxes apply to the entire amount paid for lodging, including accommodations intermediary services. The effective date confirms that the legislative intent of laws authorizing local jurisdictions to impose lodging taxes was intended to apply to the entire amount paid for lodging, including accommodation intermediary services, and provides that the enactment of this law does not imply a different interpretation of the tax base for periods prior to enactment. Allows a local jurisdiction, by ordinance, to permit accommodations intermediaries to file and remit local lodging taxes once a calendar year, if those taxes are collected by the local jurisdiction. Requires the local jurisdiction to inform the accommodation intermediary of the due dates of the return and payment, which must coincide with one of the monthly dates for filing of state sales taxes, and requires the local government to provide accommodations intermediaries with geographic and zip code information in order to collect the tax. Effective the day following final enactment.
31	Duluth food and beverage tax. Changes the boundary line defining the area in which Duluth may spend revenues from its extra ½ percent food and beverage tax from 34th Avenue West to 14th Avenue west and the area south of and including Skyline Parkway.	Section 18. Same.
32	Duluth hotel and motel tax. Changes the boundary line defining the area in which Duluth may spend revenues from its extra ½ percent lodging tax from 34th Avenue West to 14th Avenue west and the area south of and including Skyline Parkway.	Section 19. Same.
33	Use of Revenues (City of Mankato). Allows the city to extend its sales tax for different projects, subject to voter approval. Paragraph (b) allows the city, subject to voter approval at a general election held by December 31,	Section 20. Similar. Paragraph (b) clause (1) authorizes the same uses

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	<p>2016, to raise another \$29 million plus associated bond costs to fund:</p> <ul style="list-style-type: none"> • improvements to regional recreational facilities; • improvements to the flood control and levee system; • water quality improvement projects in Blue Earth and Nicollet counties; • expansion of a transit building and related transit improvements; and • matching funds for regional facilities such as a historic museum, supportive housing, and a senior center. <p>Effective upon the city filing approval with the secretary of state.</p>	<p>Paragraph (b) clause (2) also authorizes the city to use the currently imposed local sales tax to fund up to \$25 million for construction of specified new regional athletic facilities.</p> <p>The additional uses of revenues for both projects must be presented in one ballot question for approval at a general or special election held on or before December 1, 2018, which must be held on the same date as the North Mankato referendum (below).</p>
34	<p>Expiration of taxing authority and expenditure limitation; Mankato. If the new uses in subdivision 1, paragraph (b) are authorized, the tax will expire at the earlier of December 31, 2032, or when revenues are sufficient to fund the current projects. Otherwise, the tax will expire at the earlier of December 31, 2022, or when revenues are sufficient to pay off the existing bonds.</p>	<p>Section 21. Similar. If the tax is extended, the tax expires at the later of December 31, 2038, or when revenues are sufficient to fund the projects. Otherwise, the tax will expire at the later of December 31, 2022, or when revenues are sufficient to pay off the existing bonds.</p>
35	<p>Bonds. Allows Mankato to issue an additional \$29 million in bonds based on the required voter approval in section 33.</p>	<p>Section 22. Similar. Allows issuance of both the extra \$29 million in bonds and the extra \$25 million in bonds if approved by the voters as required in section 20. Also allows the city to use excess revenue after principal and interest payments on the bonds are made to fund capital replacement of the new regional athletic facilities.</p>
36	<p>Authorization of extensions. Requires the Mankato city council to pass a resolution by July 1, 2015, if it intends to extend the tax to fund the new projects under section 33. However the extension is not effective without the required voter approval.</p>	<p>Section 23. Similar. References new projects under both paragraph (b) and (c).</p>
37	<p>Sales and use tax. Allows Proctor to increase the rate of its existing local sales tax from 0.5% to 1.0%, based on voter approval at the 2014 general election. The revenue from the increased tax would pay for the \$10 million in improvements to public utilities, sidewalks, bike paths and trails, and park and recreation facilities authorized in the 2008 and 2010 special laws. No additional spending is authorized.</p> <p>Effective upon the city filing approval with the secretary of state.</p>	<p>No comparable provision</p>
	<p>No comparable provision</p>	<p>Section 24. Minnesota State High School League admissions exemption. Makes permanent the sales tax exemption for admissions to events sponsored by the Minnesota State High School League (MSHSL). The exemption was enacted in 2006 and is set to expire July 1, 2015. Effective the day following final enactment.</p>
38	<p>City of North Mankato; taxes authorized. Allows the city to extend its existing sales tax to raise up to an additional \$9 million for the currently funded</p>	<p>Section 25. Similar.</p>

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	<p>projects, subject to voter approval at the next general election.</p> <p>Subd. 2. Use of revenue. The total amount of additional sales tax revenue the city may expend for existing authorized projects is \$9 million, plus associated bond costs, subject to voter approval in subdivision 2a. The existing projects include an interchange, trails, a library, riverfront development, and lake improvement projects.</p> <p>Subd. 2a. Authorization to extend the tax. Allows the city to extend the tax to cover an additional \$9 million plus associated bond costs if approved by voters at a general election held by December 31, 2016.</p> <p>Subd. 3. Bonds. Subject to the voter approval requirement in subdivision 2a, the city may issue an additional \$9 million in bonds to fund the authorized projects without an additional referendum.</p> <p>Subd. 4. Terminations of the taxes. If the taxes are extended under this section, the new expiration date would be the earlier of December 31, 2038 or when revenues are sufficient to fund the additional \$9 million plus associated bond costs. Currently the tax expires when revenues are sufficient to fund the current \$6 million and associated bond costs.</p> <p>Effective upon the city filing approval with the secretary of state.</p>	<p>Subd. 2. Allows up to \$5 million of the \$9 million in new revenues allowed for existing projects to be used to fund construction of new regional athletic facilities instead. The \$9 million authority is reduced by the amount raised under the \$5 million authority.</p> <p>Subd. 2a. Allows the extension of the tax to be approved at either a general or special election held by December 31, 2018. The election must be held on the same date as the Mankato referendum in section 20. Requires the city to pass a resolution stating intent to extend the tax by July 1, 2015.</p> <p>The question to allow up to \$5 million of the bonds authorized to fund new projects and the question to increase the current bond authority to \$9 million must be presented in one ballot question.</p> <p>Subd. 3. Allows up to \$5 million of the bonds to be used for the new recreational facilities if approved by the voters.</p> <p>Subd. 4. If the tax is extended the new expiration date is December 31, 2038.</p>
	No comparable provision	Section 26. Extends the effective date for filing refund claims for tax paid on durable medical equipment for transactions covered by Medicare and Medicaid to allow from June 30, 2015 to June 30, 2016.
	No comparable provision	Section 27. Extends the effective date for filing refund claims for tax paid on single-patient use items and accessories and supplies required for effective use of durable medical equipment for transactions covered by Medicare and Medicaid to allow from June 30, 2015 to June 30, 2016
	No comparable provision	Section 28. City of Luverne local sales tax authorization extension. Extends the authorization for the city of Luverne impose its local option sales tax, which was originally authorized in 2014. Under general law, local approval of a special law must be completed before the beginning of the next regular (biennial) session for it to take effect. If the approval is not filed pursuant to this requirement, the law is deemed to be disapproved unless otherwise provided in the special law. Because the

Sec.	Article 6: Sales and Use Taxes	Article 4: Sales and Use Taxes
		Luverne local sales tax was not approved, its authority to impose the tax has expired. The voter referendum to approve the tax must be held at a general election prior to December 31, 2020. Effective the day following final enactment.
39	<p>City of Marshall; validation of prior act. Retroactively approves the imposition of the 2011 authorized local sales tax based on approval at the 2012 general election and the filing of local approval with the secretary of state by June 15, 2013.</p>	Section 29. Same.
40	<p>Effective date; validation of prior act (city of Proctor). Retroactively approves the extension of the existing sales tax and new uses for the sales tax revenue authorized in the 2008 and 2010 special laws, based on the voter approval at the 2010 general election and the filing of local approval with the secretary of state by January 1, 2015.</p>	No comparable provision
41	<p>City of Walker, local taxes authorized. Allows the city to impose a local sales tax based on approval of the voters at the 2012 general election.</p> <p>Subd. 1. Sales and use tax authorized. Allows the city to impose a local sales and use tax at the rate of the tax would be 1.5 percent, based on voter approval given at the 2012 general election.</p> <p>Subd. 2. Use of Revenues. Dedicates revenues from the tax to pay capital and administrative costs for underground utility, and sewer improvements as outlined in the city's 2012 capital improvement plan.</p> <p>Subd. 3. Bonding authority. Allows the city to issue up to \$20 million in bonds without additional voter approval to fund the projects in subdivision 2.</p> <p>Subd. 4. Termination of tax. The tax would expire at the earlier of 20 years after imposition or when revenues are sufficient to finance the projects in subdivision 2.</p>	No comparable provision
42	<p>City of Windom, local taxes authorized. Allows the city to impose a local sales tax based on approval of the voters at a general election held by December 31, 2016.</p> <p>Subd. 1. Sales and use tax authorized. Allows the city to impose a local sales and use tax at the rate of the tax of 1.0 percent, based on voter approval given at a general election.</p> <p>Subd. 2. Use of Revenues. Dedicates revenues from the tax to pay for construction and improvement of a fire hall and public safety facility; including associated bond costs.</p> <p>Subd. 3. Bonding authority. Allows the city to issue up to \$3.5 million in bonds without additional voter approval to fund the projects in subdivision 2.</p>	No comparable provision

Sec.	Article 6: Sales and Use Taxes	Article 4: Sales and Use Taxes
	<p>Subd. 4. Termination of tax. The tax would expire at the earlier of 15 years after imposition or when revenues equal \$3.5 million.</p>	
43	<p>Amnesty, certain local festivals. Provides an amnesty for taxes owed but not collected before July 1, 2015 by a non-profit that organized and ran a city celebration on behalf of a number of non-profit organizations that used the proceeds for charitable, educational, civic, or governmental purposes. The amnesty does not apply to sales taxes already remitted to the state or to taxes already collected. It does apply to audits as long as the audit is not finally resolved. Effective the day following final enactment.</p>	No comparable provision
44	<p>Municipally owned wastewater treatment facility; city of Mora. Provides a sales tax exemption on materials, supplies, and equipment used in constructing a wastewater treatment facility in the city of Mora. Exempt materials must be purchased between January 1, 2015, and January 1, 2017. The exemption applies to purchases by the city, or a contractor, subcontractor or builder; however the tax must be paid at the time of the purchase of the materials and the city must apply for the refund. Money is appropriated from the general fund to pay the refund.</p>	No comparable provision
45	<p>Repealer. Repeals the following definitions enacted when digital products were subject to the sales tax: digital audio works, digital audio visual works, digital books, digital code, other digital products, specified digital products, and products transferred electronically.</p>	No comparable provision

Sec.	Article 7: Special Taxes	
1	Compressed natural gas definition. Changes the energy content of compressed natural gas (CNG) in the definition of CNG, from 1000 BTUs to 900 BTUs.	Article 12, section 5. Same
	No comparable provision	<p>Article 12, Sections 6, 7, 9 to 20, and 31. Modification of tax treatment of gasoline used as a substitute for aviation gasoline. Section 6 adds a definition to the fuel tax chapter of statutes, defining “dealer of gasoline used as a substitute for aviation gasoline” as a person who sells gasoline on the premises of an airport to be dispensed directly into the fuel tank of an aircraft. Section 7 exempts from the fuel excise tax gasoline purchased by a dealer of gasoline used as a substitute for aviation gasoline. Section 9 applies the five cents per gallon aviation gasoline tax to gasoline used as a substitute for aviation gasoline. Section 10 provides that the aviation gasoline tax does not apply to gasoline purchased and placed in an aircraft fuel tank outside the state of Minnesota. Section 11 provides that the aviation gasoline tax is not a tax upon consumption by an aircraft. Section 12 exempts a licensed ambulance service from liability for the aviation gasoline tax. Section 13 requires gasoline taxpayers to include in their monthly reports to the Department of Revenue a statement of the number of gallons sold to a dealer of gasoline used as a substitute for aviation gasoline. Section 14 requires a person who buys gasoline from a dealer of gasoline used as a substitute for aviation gasoline and pays the tax on it, then uses it in motor vehicles, or sells it knowingly to a person for use in motor vehicles, to report this to the commissioner of Revenue. Section 15 requires a person claiming a graduated refund or credit to set forth in the claim form the total number of gallons of gasoline used as a substitute for aviation gasoline on which tax was paid during the calendar year. Section 16 adds purchasers of gasoline used as a substitute for aviation gasoline to the eligible claimants for refunds of aviation taxes paid and not used in motor vehicles or in aircraft. Section 17 adds taxpayers who have paid aviation tax on gasoline used as a substitute for aviation tax, and airflight property tax, or is an aerial applicator, to the eligible claimants for refunds on a graduated basis. Section 18 excepts gasoline sold to a dealer of gasoline used as a substitute for aviation gasoline from the presumption that all gasoline in this state is intended for use in motor vehicles. Section 19 provides that revenues from excise taxes on gasoline used as a substitute for aviation gasoline are credited to the state airports fund and appropriated to the commissioner as needed. Section 20 establishes recordkeeping and retention requirements for dealers of gasoline used as a substitute for aviation gasoline. Section 31 repeals a subpart of Minnesota Rules that describes who may claim refunds for gasoline used as a substitute for aviation gasoline. The repealer is effective the day following final enactment; all other provisions are effective for sales and purchases made after June 30, 2015.</p>

Sec.	Article 7: Special Taxes	
2	Compressed natural gas tax rate. Reduces the motor fuels tax rate for compressed natural gas (CNG) in the per thousand feet calculation of the rate from \$2.174 to \$1.974, and sets a gasoline equivalent (i.e., for comparing energy content of CNG to gasoline) in cubic feet.	Article 12, section 8. Same
3	Tax rate for pull-tabs sold at bingo halls. Subjects paper pull-tabs sold at bingo halls to a flat tax rate of 9% and subjects electronic linked bingo to the flat tax rate of 8.5%.	No comparable provision
4	Lawful gambling tax reductions. Subjects electronic linked bingo to the 8.5% flat tax on gross receipts, extends the brackets for the graduated tax rates applied under the combined net receipts tax, lowers the threshold for the combined net receipts tax's alternate rate structure, and exempts the first \$50,000 in net receipts from taxation.	No comparable provision
5	Consumable material definition. Defines the nicotine solution used in e-cigarettes as "consumable material".	No comparable provision
6	Tobacco products. Includes "vapor products" in the definition of tobacco products.	No comparable provision
7	Vapor products definition. Defines "vapor products" as devices that produce vapor from nicotine, such as e-cigarettes and other similar devices. Includes containers and cartridges of nicotine solution in the definition as well, but excludes drugs and devices regulated by the FDA.	No comparable provision
8	Cigarette excise tax. Sets the excise tax on cigarettes at the current rate of \$2.90 per pack.	No comparable provision
9	Rates; tobacco products. Excludes vapor products from the 95% of wholesale tax rate.	No comparable provision
10	Rates; vapor products. Imposes a tax of \$.30 per milliliter of consumable material on vapor products.	No comparable provision
11	Use tax; vapor products. Imposes a use tax of \$.30 per milliliter of consumable material on vapor products.	No comparable provision
12	Federal laws. Adds vapor products to the list of tobacco products that are not to be taxed if they cannot be taxed by the state under federal law.	No comparable provision
13	Use tax exemption. Exempts up to 50 milliliters of nicotine solution from the use tax, if under \$50.	No comparable provision
14	Deposit of proceeds. Removes the requirement that the commissioner recoup the stamp costs when charging cigarette distributors for cigarette tax stamps.	No comparable provision
15	Price of stamps. Provides for a .45% discount on the face value of the stamp, excluding the portion of the face value representing the cigarette sales tax.	No comparable provision
16	Sale of stamps. Removes the requirement that the commissioner recoup the stamp costs from the distributor.	No comparable provision
17	Monthly return; cigarette distributor. Exempts the amount of the .45% discount from a distributor's tax liability.	No comparable provision

Sec.	Article 7: Special Taxes	
18	Financial statement requirements. Raises the threshold for gambling organizations for submitting an audited financial statement from \$750,000 in revenue to \$750,000 in net receipts.	No comparable provision
19	Bingo hall. Defines “bingo hall” as a premises where the primary business is bingo.	No comparable provision
20	MinnesotaCare provider taxes. Changes the effective date of the repeal of MinnesotaCare provider taxes from December 31, 2019 to December 31, 2018.	No comparable provision
21	Repealer. Repeals the annual inflation adjustment on the cigarette excise tax.	No comparable provision

Sec.	Article 8: Transportation Sales Tax Provisions	
1	<p>Receipts. Makes a conforming cross reference change.</p>	No comparable provision
2	<p>Motor vehicle lease sales tax revenue. Changes allocation of the sales tax collected upfront on long-term motor vehicle rentals, so that none of the revenue is retained in the general fund. Starting in FY 2017:</p> <ul style="list-style-type: none"> • 50 percent of the funds go to a transit allocation account in the Transportation Stability Fund, which is being created in article 4; and • 50 percent goes to a county highway allocation account, also being created in the Transportation Stability Fund (with the language distributing funds among counties substantially reproduced within the provision creating the new account). <p>Paragraph (c) provides that the portion of revenue from the motor vehicle lease sales tax that comes from the Legacy constitutional amendment is allocated in accordance with the constitutional distribution and is not included in calculating allocation to the transit or highway allocation accounts.</p> <p>Paragraph (c) is effective the day following final enactment; the rest of the section is effective for transfers occurring on or after July 1, 2017.</p>	No comparable provision
3	<p>Deposit of revenues. Provides for allocation of revenue from specified state sales taxes to accounts within the Transportation Stability Fund.</p> <p>Paragraph (d) directs revenue from the state's additional sales tax (of 9.2 percent) on short-term motor vehicle rentals to an account for small cities aid in the Transportation Stability Fund.</p> <p>Paragraph (f) directs revenue from the general sales tax (of 6.5 percent) on short term motor vehicle rentals to an account for metropolitan transit capital projects in the Transportation Stability Fund.</p> <p>Paragraph (g) provides that the estimated amount of sales tax revenue collected on the sale and purchase of motor vehicle repair parts be deposited monthly directly to an account for highway funding in the Transportation Stability Fund. Provides a definition of motor vehicle repair and replacement parts which includes tires and fluids that stay with the vehicle as part of the repair or maintenance.</p> <p>For the first year (FY 2016), a transfer is specified at \$12.5 million per month. In subsequent years the transfer will be a percentage of the total sales and use tax revenue from the 6.5 percent general sales tax. The percentage of the total tax attributable to these sales will be calculated by the Department of Revenue every two years, based on national consumption data and adjusted for state consumption, using department consumption models. An amount equal to one-twelfth of the estimated annual amount will be deposited monthly.</p>	No comparable provision

Sec.	Article 8: Transportation Sales Tax Provisions	
4	Definitions. Defines “transitway” for a section of statutes on the local option transportation sales tax (administered by the Counties Transit Improvement Board, or CTIB), to use the meaning of “guideway” as defined in article 4, section 37, excluding intercity passenger rail.	No comparable provision
5	Tax base. Exempts purchases of electricity and natural gas from the metropolitan transit area sales tax. The state sales and use tax and other local sales taxes would still apply to these sales. Effective for sales and purchases made after June 30, 2015.	No comparable provision
6	Grant awards; use and allocation requirements. Expands purposes for which CTIB may make grant awards to include capital and operating assistance for transit systems, including bus operations and arterial bus rapid transit.	No comparable provision
7	Priority of fund uses. Provides that CTIB must fully fund operations and maintenance on existing transitways that the board has previously funded, and must not award any grants to begin or continue work on new transitways unless all debt service and existing transitway costs have been covered. Effective the day following final enactment and applies to grants made for calendar year 2016 and after.	No comparable provision
8	Forecasted base appropriations. Reduces base appropriation of state general fund money to the Metropolitan Council for transit system operations, to the greater of zero or the fiscal year 2016 base amount (\$76,626,000), less (1) the growth in revenue from the motor vehicle sales tax compared to fiscal year 2015 (so that as motor vehicle sales tax revenue increases, the general fund base appropriation would decrease by a corresponding amount); and (2) 50 percent of the funds provided by the Counties Transit Improvement Board for transitways.	No comparable provision
9	Limitations. Prohibits the Metropolitan Council from issuing debt payable from the motor vehicle sales tax revenue it receives, or any interest earnings on that revenue, for transit capital improvements.	No comparable provision
10	Supplemental Metropolitan Council Funding. Requires CTIB to allocate \$23.7 million to the Metropolitan Council in a one-time grant in 2015.	No comparable provision
11	Repealer. Repeals the requirement that any grant award by CTIB to the Metropolitan Council must supplement, not supplant, operating and capital assistance provided by the state.	No comparable provision

Sec.	Article 9: Aids and Credits	Article 5: Property Tax Aids and Credits
1	Sport facilities transfers; appropriations. Provides a cross reference to Minneapolis local sales tax revenue that will be returned to the city instead of the sports facility authority under section 8.	No comparable provision
2	School building bond agricultural credit computation. Provides for a property tax credit on all property classified as agricultural equal to 50 percent of the tax on the property attributable to school district bonded debt levies. Provides for the credit to be reported on the property tax statement and claimed under the individual income tax, as provided in section 7. Effective beginning with taxes payable in 2016.	No comparable provision
	No comparable provision	Article 2, sections 6, 7, and 8. Targeted agricultural land tax credit. Establishes a new targeted agricultural land property tax credit. Property classified in whole or in part as class 2a agricultural property, in both the prior and current year, is eligible for the credit if the gross property taxes payable on that portion of the property classified as agricultural increase by more than eight percent over the property taxes payable in the prior year on the same property and the amount of the increase is \$200 or more. The amount of the credit shall be equal to the amount of the increase over the greater of eight percent of the prior year's property taxes, or \$200, with a maximum credit of \$2,000. Effective for property taxes payable in 2016 and thereafter.
3	Notice of proposed property taxes. Provides for the school building bond credit to be noted on the Truth-in-Taxation statement, with the indication that it is claimed under the individual income tax.	Article 2, section 12. Notice of proposed property taxes. Provides for the targeted agricultural land tax credit to be listed on the Truth-in-Taxation statement.
4	School district levies; special requirements. Defines which school levies are considered to be debt service levies, for computing the school building bond agricultural credit.	No comparable provision
5	Computation of tax rates. Requires the county auditor to compute a school debt tax rate for each school district so that the school building bond agricultural credit can be computed.	No comparable provision
6	Contents of tax statements. Provides for the credit to be shown on the property tax statement, with direction to the property owner to claim the credit on the individual income tax return.	Article 2, section 15. Contents of tax statements. Provides for the targeted agricultural land tax credit to be shown on the property tax statement.
7	School building bond agricultural credit. Allows a refundable income tax credit for individuals and pass-through entities equal to the amount computed under section 2. Provides that taxpayers who own more than one property that qualifies for the credit under section 2 to claim the sum of the amounts reported on the property tax statements. Requires the credit to be allocated among owners in the case of properties with multiple owners, in the same proportions that the property taxes are allocated. Provides an open appropriation for payment of refunds. Effective for tax year 2016, so that credits reported on property tax statements for payable year 2016 would be claimed on tax year 2016 income tax	No comparable provision

Sec.	Article 9: Aids and Credits	Article 5: Property Tax Aids and Credits
	returns, generally filed in January through April of 2017.	
	No comparable provision	Article 2, section 22. Property taxes payable; PTR. Requires taxpayers to reduce the property taxes payable or rent constituting property taxes on their homestead to account for business use of the homestead, even if they elect to deduct business expenses under section 280A of the Internal Revenue Code rather than depreciating part of the home. Effective for refunds based on property taxes payable after December 31, 2014, or rent constituting property tax paid after December 31, 2013
	No comparable provision	Article 2, section 23. Targeted property tax refund. Modifies the targeted property tax refund by decreasing the percentage increase required for homestead property taxes from one year to the next from 12 percent to ten percent and makes the corresponding change to the refund formula. Effective for property taxes payable in 2016 and thereafter.
	No comparable provision	Article 2, sections 24 and 25. Senior citizen property tax deferral program. Reduces the number of years that an applicant to the senior citizen property tax deferral program must have owned and occupied the applicant's homestead from 15 to five years, and changes the deadline for applying to the program from July 1 to November 1. Effective for applications for deferral of taxes payable in 2016 and thereafter.
8	General fund allocations. Provides that for the period July 1, 2015, through June 30, 2017, the transfers of Minneapolis local sales tax revenues to the sports facilities authority are zero until the city of Minneapolis receives \$5.864 million of additional sales tax revenues that would have otherwise gone to this authority.	Art. 12, section 21. Different. Allows the sports facility authority to use sales tax revenue to reimburse the NFL for Superbowl taxes.
	No comparable provision	Section 1. County program aid; tax base equalization. Modifies the formula for the tax-base equalization aid portion of county program aid and adds an additional factor for counties with a population greater than or equal to 12,500 but less than 16,000. For distributions in 2016, the allocation to a county shall not be less than 95 percent of the sum of its aid in 2014 plus any supplemental aid it received as part of the one-time payment authorized in the 2014 omnibus tax bill. For distributions in 2017 and thereafter, the allocation must not be less than 95 percent of the aid it received in the prior year. Effective for aids payable in 2016 and thereafter.
	No comparable provision	Section 2. Out-of-home placement aid for counties and tribes. Provides that the commissioner of revenue shall reimburse each county for 100 percent of the nonfederal share of the cost of out-of-home placement of children under the Indian Child Welfare Act. Reimbursement to tribes shall be the greater of five percent of the average reimbursement amount received from the federal government for out-of-home placement for

Sec.	Article 9: Aids and Credits	Article 5: Property Tax Aids and Credits
		the most recent three calendar years, or \$200,000. Effective for aids payable in 2017.
	No comparable provision	Sections 3 and 4. Unorganized territories; township aid. Expands township aid to unorganized territories. The formula for calculating aid to counties to receive township aid on behalf of unorganized territories remains the same except that the total area is limited to 75,000 acres, instead of the 50,000 acres limitation for townships. Requires the commissioner of revenue to notify the affected county government of the aid amount for any unorganized territory within the county and make payments of aid to the county government who must use the aid in and for the unorganized territory. Effective for aids payable in 2016.
9	Maximum final aid payment to first class cities. Limits the total certified LGA payment to a city of the first class to 112.5% of the average per capita aid payment for all cities, except first class cities, as calculated under the existing LGA formula, multiplied by its population. Effective beginning with aids payable in 2016.	No comparable provision
10	Levy adjustments. Expands the existing levy authority to cover aid decreases to also include aid reductions under section 9.	No comparable provision
	No comparable provision	Section 5. Payment dates; local government aids. Changes the payment dates for local government aids from two installment to four installments: March 15 th , July 15 th , September 15 th and November 15 th . Current law provides for two installments on July 20 th and December 26 th . Effective for aids payable in 2016.
11	Conformity. Requires the state auditor to prescribe uniform reporting standards for all towns. Effective for financial reports for years ending on or after December 31, 2015.	Section 6. Same.
	Repealed in section 23.	Section 7. Conformity. Requires that towns conform to the state auditor reporting requirements in order to receive aid. Effective beginning with reporting of financial information for years ending on or after December 31, 2015
12	Noncompliance. Allows the state auditor to arrange for preparation of financial reports for a county, city or township if they don't file reports on a timely basis. The state auditor may charge the local government 105 percent of the cost of the service, up to the local government's aid amount. Also allows the state auditor to delay or waive reporting requirements in the case of a disaster or emergency. Effective the day after final enactment.	No comparable provision
13	Cities (appropriation.) Adjusts the maximum city LGA appropriation to ensure that the initial aid calculation is based on the total amount available under current law but that the amount paid out is reduced by the savings from imposing the maximum cap on cities of the first class in section 9. Effective beginning with aids payable in 2016.	Section 8. Different. Increases the appropriation for local government aid to \$540,940,079 for aids payable in 2016, and \$564,982,145 for aids payable in 2017 and thereafter.
14	Counties (appropriation.) Modifies the county program aid appropriation language to eliminate the set-asides for (a) public defender expenses	Section 9. Different. Increases the appropriation for the county program need aid to \$102,895,000 for aids payable in 2017 and thereafter, and tax base

Sec.	Article 9: Aids and Credits	Article 5: Property Tax Aids and Credits
	(beginning in 2016), and (b) costs of preparation of local impact notes (beginning in 2015). Reduces the overall County Program Aid appropriation amounts to reflect the elimination of the set-asides (there are no changes to the actual aid amounts distributed).	equalization aid to \$129,909,575 for aids payable in 2016, and \$132,509,575 for aids payable in 2017 and thereafter.
	No comparable provision	Section 10. Towns and unorganized territory aid; appropriation. Increases the appropriation for towns and unorganized territories from \$10,000,000 to \$12,000,000 beginning for aids payable in 2016.
	No comparable provision	Sections 11 and 12. PILT; payments and procedure. Provides that counties shall receive an aid payment of \$5.133 multiplied by the total number of acres in the county that were purchased by a federally recognized Indian tribe with funding provided under the outdoor heritage fund. Payments for county-administered other natural resource land and commissioner-administered other natural resource land are increased from \$1.50 to \$2.00 per acre, and \$300,000, for aids payable in 2016 through 2025, shall be divided and distributed to counties containing state-owned lands within a conservation area in proportion to each county's percentage of the total amount of unpaid ditch assessments. Requires that the commissioner of natural resources annually certify to the commissioner of revenue the number of acres within each county purchased by a federally recognized Indian tribe with funding provided under the outdoor heritage fund.
	No comparable provision	Section 13. PILT; time of payment. Provides that payment to the counties for PILT shall be made at the time provided for the second installment of local government aid, July 15 th . Effective for aids payable in 2016 and thereafter.
	No comparable provision	Section 14. Taconite aid reimbursement; time of payment. Provides that payment shall be made at the time provided for the second installment of local government aid, July 15 th . Effective for aids payable in 2016 and thereafter.
	No comparable provision	Section 15 and 16. Debt service aid; city of Worthington; aid reductions. Makes changes to a provision passed in the 2014 tax bill relating to the Lewis & Clark Regional Water System Project. The city of Worthington shall be eligible for an aid payment equal to the principal and interest payable for bonds issued, minus the total local share. The cities of Worthington and Luverne, and Rock and Nobles Counties shall each pay a specified amount to Worthington each year, until all principal and interest has been paid. If they fail to do so, an LGA/CPA reduction shall be made. If a reduction is made, the commissioner of revenue shall add the amount of the reduction to the aid distribution. Effective for aids payable in 2016 and thereafter.
15	Public defense services; correctional facilities inmates. Eliminates a provision directing the commissioner of management and budget to pay for certain public defense expenses through county program aid set-aside money, which is eliminated in section 14.	No comparable provision

Sec.	Article 9: Aids and Credits	Article 5: Property Tax Aids and Credits
16	Cost of transcripts. Eliminates a provision directing the commissioner of management and budget to pay the costs of certain transcripts through county program aid set-aside money, which is eliminated in section 14.	No comparable provision
	No comparable provision	Section 17. Red River watershed management board. Increases the payment per acre for payments made by the Red River watershed management board to counties and townships. Effective for aids payable in 2015 and thereafter
17	City penalty forgiveness; city of Oslo. Provides an extra \$37,473.50 in LGA to the city of Oslo with the July 2015 LGA payment to compensate the city for the loss of one-half of its calendar year 2013 LGA payment due to the city not filing its 2012 financial reports in a timely fashion. In order for the city to qualify for the payment, the state auditor must certify that the city filed its 2012 financial reports by December 31, 2013. Effective the day after final enactment.	Section 18. Same
18	2014 aid penalty forgiveness. Forgives penalties to any city who lost all or part of its calendar year 2014 LGA payment as a penalty for not filing its calendar year 2013 financial reports with the legislative auditor in a timely fashion. The penalty is only forgiven if the city has filed both its calendar year 2013 and 2014 financial statements with the auditor by June 1, 2015.	Section 19. Similar. Senate specifically lists the three eligible cities—Dundee, Jeffers, and Woodstock.
19	Calendar year 2015 early payment to certain cities. Provides that about 21% of the July 2015 LGA payment to the five largest cities in the state will be made by June 22, 2015. Currently each city receive their LGA in 2 equal payments – one on or after July 20 and one by December 26 of each year. The total 2015 LGA for each city remains unchanged. The affected cities include Minneapolis, St. Paul, Rochester, Duluth, and Bloomington.	No comparable provision
20	2016 reduction to offset additional general fund use of local sales tax revenue. Reduces the LGA payment to the city of Minneapolis in calendar year 2016 only by \$5.864 million but allows the city to deposit in its general fund the extra \$5.864 million in local sales tax revenue it will receive under section 8, to be used to fund city spending in 2016 that would have otherwise been funded from LGA.	No comparable provision
21	County program aid working group. Establishes a county program aid working group, with a charge to report its recommendations to the chairs of the tax committees in both legislative bodies by February 1, 2016. The group is to focus on options for distributing aid that promote fairness and stability. The group would be composed of 11 members: <ul style="list-style-type: none"> • Two representatives, one from each party, appointed by the chair of the House Tax committee; • Two senators, one from each party, appointed by the Senate Rules committee; 	No comparable provision

Sec.	Article 9: Aids and Credits	Article 5: Property Tax Aids and Credits
	<ul style="list-style-type: none"> • Two persons appointed by the Governor; and • Five county officials appointed by the Association of Minnesota Counties, with not more than two from counties in the metropolitan area. <p>Administrative support would be provided by legislative staff.</p>	
22	<p>Study on impact of additional health related costs incurred by counties. Requires the Department of Revenue to do a report on costs incurred by counties in calendar year 2014 due to lack of functionality in the MnSure eligibility determination system. The report is due to the chairs of the House and Senate tax committees by February 15, 2016.</p>	No comparable provision
23	<p>Repealer. Repeals the current aid penalty for failing to file state auditor reports, the library debt service aid to the city of Minneapolis, and the Aquatic Invasive Species Aid program. Effective the day following final enactment.</p>	No comparable provision

Sec.	Article 10: Miscellaneous	Article 12: Miscellaneous
1	<p>Account for county joint trust fund payments. Establishes a special account in the combined investment funds with the State Board of Investment for management of the onetime payments required under this bill on lands purchased with funds from the environment and natural resources and the outdoor heritage trust funds. Each county enters into an agreement with the State Board of Investment to allow the commissioner to act on its behalf in making deposits to and withdrawals from this account. The commissioner will make one deposit annually for payments to all counties under each of sections 3 and 7, and one withdrawal annually to cover distributions under section 10.</p>	No comparable provision
	No comparable provision	<p>Sections 1 and 2. Budget reserve; report. Updates the budget reserve amount in the automatic repayment statute to conform to the current budget reserve amount. This change would require the budget reserve to be re-established to \$994.3 million in a forecast before certain other conditions of this statute could be met. Aligns the date that the budget reserve report is issued more closely to the November forecast. The November forecast is the point at which 33 percent of a forecasted surplus in the current biennium is transferred to the budget reserve. Under current law the percentage of the non-dedicated general fund revenues that is recommended as the budget reserve level is not based on the most recent available data and end-of-session tax law changes. An August reporting date makes the report data and analysis more current to the November forecast when it potentially would be used. Effective July 1, 2015.</p>
2	<p>Definitions. Defines “land acquisition costs” for purposes of section 97A.056, which governs the outdoor heritage fund and the Lessard-Sams Outdoor Heritage Council, to include various costs, including the new onetime payments required under section.</p>	No comparable provision
3	<p>Outdoor heritage trust fund account; trust fund payments. Paragraph (a) establishes an outdoor heritage trust fund account to be invested by the State Board of Investment.</p> <p>Paragraph (b) states that land acquired with money from the outdoor heritage fund is eligible for a onetime payment (at least 20 percent of the state payment for the land must be from the outdoor heritage fund to be considered “acquired” by the fund for these purposes). The onetime payment is equal to 30 times the property taxes assessed in the year prior to the year the land was acquired. Provides an alternative valuation method if the land was previously privately owned and tax-exempt. Requires counties to submit information necessary for determining the payments to the commissioner of revenue by September 1 of each year. Requires the commissioner of revenue to inform the counties of their payment under this section by October 15 of each year and deposit the payments to the State</p>	No comparable provision

Sec.	Article 10: Miscellaneous	Article 12: Miscellaneous
	<p>Board of Investment, on behalf of eligible counties by October 31.</p> <p>Paragraph (c) provides that if a parcel is also eligible for a trust fund payment under section 6, the payment under this section will be reduced based on the relative share of the funding coming from the outdoor heritage fund compared to the funding from the environment and natural resources fund.</p> <p>Paragraph (d) appropriates the amount necessary to make the payments to the counties from the new outdoor heritage trust fund account to the commissioner of revenue.</p> <p>Paragraph (e) requires a county board, in order to receive a payment under this section, to enter into an agreement with the State Board of Investment to allow the commissioner to act as their agent regarding depositing and withdrawing money on behalf of the county from the trust fund account established in section 1.</p> <p>Paragraph (f) states that lands receiving a trust fund payment under this section are not eligible for PILT.</p>	
4	<p>State acquisitions of lands; restrictions. Prohibits the state from using funds from the environment and natural resource fund to acquire (1) land subject to property taxes; or (2) land previously subject to property taxes from a nonprofit, unless a trust fund payment will be made on the land as required in section.</p>	No comparable provision
5	<p>Applicability. States that the definition of “trust fund” applicable to chapter 116P, which deals with the environment and natural resources trust fund, does not apply to the onetime payment provision established in section 7.</p>	No comparable provision
6	<p>Land acquisition costs. Defines “land acquisition costs” for purposes of chapter 116P to include various costs, including the new onetime payments required under section.</p>	No comparable provision
7	<p>Environment and natural resources trust fund payment account.</p> <p>Subd. 1. Account created. Establishes an environment and natural resources trust fund payment account to be invested by the State Board of Investment</p> <p>Subd. 2. Trust fund payment; appropriation. Paragraph (a) states that land acquired with money from the environment and natural resources trust fund is eligible for a onetime payment (at least 20 percent of the state payment for the land must be from the environment and natural resources trust fund to be considered “acquired” by the fund for these purposes). The onetime payment is equal to 30 times the property taxes assessed in the year prior to the year the land was acquired. Provides an alternative valuation method if the land was previously privately</p>	No comparable provision

Sec.	Article 10: Miscellaneous	Article 12: Miscellaneous
	<p>owned and tax-exempt. Requires counties to submit information necessary for determining the payments to the commissioner of revenue by September 1 of each year. Requires the commissioner of revenue to inform the counties of their payment under this section by October 15 of each year and deposit the payments to the State Board of Investment, on behalf of eligible counties by October 31.</p> <p>Paragraph (b) provides that if a parcel is also eligible for a trust fund payment under section 3, the payment under this section will be reduced based on the relative share of the funding coming from the environment and natural resources fund compared to the funding from the outdoor heritage fund.</p> <p>Paragraph (c) appropriates the amount necessary to make the payments to the counties from the new environment and natural resources trust fund account to the commissioner of revenue.</p> <p>Subd. 3. County requirements. Requires a county board, in order to receive a payment under this section, to enter into an agreement with the State Board of Investment to allow the commissioner to act as their agent regarding depositing and withdrawing money on behalf of the county from the trust fund account established in section 1.</p> <p>Subd. 4. Ineligible for other payments. States that lands receiving a trust fund payment under this section are not eligible for PILT</p> <p>Subd. 5. State acquisition of lands; restrictions. Prohibits the state from using funds from the outdoor heritage fund to acquire (1) land subject to property taxes; or (2) land previously subject to property taxes from a nonprofit, unless a trust fund payment will be made on the land as required in this section.</p>	
8	<p>Political contribution refund. Strikes a reference to the political contribution refund, which is repealed in section 23.</p>	No comparable provision
9	<p>Disclosure to Commerce; unclaimed property. Direct the commissioner of DOR to annually provide addresses to Commerce by January 15th for taxpayers in Commerce’s database of individuals with abandoned property, if Commerce supplies DOR with their names and social security numbers. This data would remain private or nonpublic data. Present law authorizes disclosure of DOR data to Commerce to administer the Uniform Disposition of Unclaimed Property, but only for individuals with unclaimed tax refunds. This section is intended to allow Commerce to obtain addresses from DOR for individuals with other types of unclaimed property (i.e., beside tax refunds). Cross-reference: section 16</p>	No comparable provision

Sec.	Article 10: Miscellaneous	Article 12: Miscellaneous
10	Tax incidence study. Expands the mandated information that must be included in the Department of Revenue's biennial tax incidence study to include incidence information on federal taxes paid by Minnesota residents, effective beginning with the report due in 2017.	No comparable provision
11	Assessor accreditation. Removes the requirement that all assessors become accredited Minnesota assessors and instead only requires that level of licensure for assessors who assess income-producing properties.	No comparable provision
	House File 849, 2 nd Engrossment, Article 2, Sections 4 and 5; Senate File 878, in conference committee. Same	Sections 3 and 4. Tax Court; written order and jurisdiction. Increases from 15 to 30 days the time in which a motion for rehearing must be served by the moving party. Increases the time in which a motion must be heard by the Tax Court from 30 to 60 days after mailing of the notice by the court. Extends the extension allowed for good cause from 30 to 60 days. Increases the threshold for Small Claims Division cases from \$5,000 to \$15,000 for cases not involving valuation, assessment, or taxation of real and personal property. Effective the day following final enactment.
12	Assistants. Allows the board of county commissioners, in consultation with the assessor, to determine the qualifications and licensure level for assistants to the assessor. This provision is subject to the modified licensure requirements in section 10.	No comparable provision
13	Political contribution refund; conforming changes. Eliminates a reference to the political contribution refund, which is repealed in section 23.	No comparable provision
14	Political contribution refund; conforming changes. Strikes a definition of the term "taxpayer" that is used in determination of the political contribution refund, which is repealed in section.	No comparable provision
	Art. 9, Sec. 8 Different. Allows Minneapolis to retain more of its sales tax revenue to offset an LGA loss.	Section 21. Allocation of revenues; Minneapolis taxes. Requires that the Minnesota Sports Facilities Authority retain \$2.7 million in the funds dedicated to the Authority from the Minneapolis local sales and liquor, lodging, and restaurant taxes for purposes of offsetting taxes paid by the NFL in connection with a Super Bowl game played at the Vikings stadium.
15	Tax incentive; new producers of direct reduced ore. Modifies the definition of direct reduced ore, exempts the non-commercial use of taconite by producers of direct reduced ore from the production tax. Makes the tax incentive for the production of direct reduced ore to new producers permanent (under current law it only applies to plants for which environmental permits were issued before 7/1/2008).	Article 7, section 3. Only Senate change is to extend the tax incentive for plants for which environmental permits were issued before 7/1/2020.
16	Commerce to coordinate with DOR; unclaimed property. Directs the Commissioner of Commerce to work with DOR to obtain addresses or other contact information for individuals who have abandoned property held by Commerce. Commerce is directed to notify the owners (for whom contact information was obtained from DOR) that they may	No comparable provision

Sec.	Article 10: Miscellaneous	Article 12: Miscellaneous
	have abandoned property and to provide information on how to file a claim, along with a claim form. Cross-reference: section 9	
	No comparable provision	Section 22. Railroad condemnation powers limitation. Provides that a foreign or domestic railroad company may not exercise eminent domain power over a property interest of certain Hennepin County government agencies if the agency finds and resolves that public safety or first-responder access will be substantially and adversely affected by the railroad company taking. Effective retroactively from March 2, 2015, and applies to any eminent domain action to acquire land owned by the named entities.
	No comparable provision	Section 23. Broadband service public-private partnerships. Authorizes a local unit of government, alone or through a joint powers agreement with other local units of government to finance, acquire, and construct broadband equipment. Each local unit may issue general obligation bonds for this purpose or one of the local units acting through a joint powers agreement may issue the bonds and all other local units shall levy a tax and pledge the collection of the tax to the issuer of bonds. Bonds may only be issued by a local unit upon obtaining the approval of a majority of the electors voting on the question of issuing the obligations, and only when a local unit of government partners or enters into an agreement with a private provider or cooperative to operate and maintain broadband service and equipment. Effective the day following final enactment.
	Article 5, section 16. Similar. House version provides an annual allocation of \$1 million per year. Includes a provision stating that the allocations do not expire but are available until used by the city.	Section 24. Additional border city allocations. Allocates \$2 million to the border cities of Breckenridge, Dilworth, East Grand Forks, Moorhead and Ortonville. The allocation shall be made to the cities on a per capita basis. The cities may use the allocation for the border city enterprise or border city development zone programs. Effective July 1, 2015.
	Article 5, sec 27, 28, 29, 30. Same	Sections 25 to 29. Destination Medical Center; use of local taxes modifications. Section 25 modifies the definition of “public infrastructure project” under the DMC provisions to clarify that it includes amounts spent on planning, thereby expanding the definition to planning other than for the development plan. Amounts spent for the “public infrastructure project” may be paid with either state aid or city taxes, and amounts spent out of city taxes qualify for the local match requirement, subject to the requirements in section 28. Section 26 prohibits the Economic Development Agency (EDA), a private entity created by the Mayo Clinic, from requiring the city to pay amounts that are unrelated to public infrastructure project costs. Section 27 provides that the special Rochester lodging, food and beverages, and admissions sales taxes may be spent for purposes that qualify as a local matching contribution under the DMC aid program. Section 28 provides that Rochester city general sales tax

Sec.	Article 10: Miscellaneous	Article 12: Miscellaneous
		may be spent for purposes that qualify as a local matching contribution under the DMC aid program.
	<p>Article 5, section 31. Similar.</p> <p>House version does not include the language limiting the amount of spending by the city on support, operation, and administrative costs for the corporation starting on July 1, 2020 that counts toward the local match.</p>	<p>Section 29 provides that, through June 30, 2020, all city funds spent to support the DMC Corporation or the EDA qualify toward the local matching contribution requirement under the state aid program. After that date, one-half of amounts spent for support, operation and administrative costs for the corporation count toward the local match</p>
17	<p>Natural resources land payments in lieu; purpose. Excludes lands purchased with money from the environment and natural resources trust fund after July 1, 2015, from the purpose statement for the existing PILT program.</p>	No comparable provision
18	<p>Environment and natural resources trust fund lands. Excludes lands purchased with money appropriated from the environment and natural resources trust fund after July 1, 2015, from the definitions of natural resources land used for purposes of PILT.</p>	No comparable provision
19	<p>Outdoor heritage lands. Excludes lands purchased with money appropriated from the outdoor heritage fund on or after July 1, 2015, from the definitions of natural resources land used for purposes of PILT.</p>	No comparable provision
20	<p>Annual county joint trust fund withdrawals and distribution for environment and natural resources and outdoor heritage lands.</p> <p>Subd. 1. Commissioner of revenue, withdrawals and payments. Provides that the commissioner will make one withdrawal each year from the county joint trust fund established under section 1, on behalf of all eligible counties. The amount withdrawn is set to the lesser of (1) the total withdrawal amount the counties certified under subdivision 2 or (2) 5.5% of the amount in the fund. Requires that distributions to counties be proportionately decreased if the total withdrawal is less than the total withdrawal amounts certified under subdivision 2.</p> <p>Subd. 2. Certification of needed withdrawal; distribution of funds. The withdrawal amount for each eligible parcel is as follows:</p> <ul style="list-style-type: none"> • in the first year of receiving a state payment, the county will withdraw the amount needed to make all taxing jurisdictions whole in terms of tax collections – either by paying the remaining taxes owed on the property for that year, or, if the property was already off the tax rolls, paying the amount of tax paid in the previous year; • in subsequent years the county will withdraw an amount equal to the tax imposed on comparable, adjacent privately owned land 	No comparable provision

Sec.	Article 10: Miscellaneous	Article 12: Miscellaneous
	The money is distributed to each taxing jurisdiction based on its share of the total tax rate in the area for all eligible parcels in that jurisdiction. If funds are insufficient to make all payments; all payments are reduced proportionately.	
	H.F. 1901, on General Register.	Section 30. Modification of Default Apportionment of Estate Tax Burden. Modifies the default apportionment rules applicable to estates that hold Qualified Terminable Interest Property (QTIP). Under current law, the estate tax burden is proportional relative to the value of the estate between amounts that are part of the QTIP trust and those that are not. A decedent may also direct a method of apportionment in a will that would supersede a default apportionment rule. This provision changes the default rule to require that the estate tax burden is borne by beneficiaries with an interest in the QTIP trust.
21	Automated sales suppression devices. Classifies automated sales suppression devices as contraband subject to forfeiture.	S.F. No. 1603, section 1 (on general orders). Same
22	Use of automated sales suppression devices. Establishes a felony criminal penalty (maximum term of 5 years or \$10,000 fine or both) for the sale, purchase, installation, transfer, possession, accessing, and use of a sales suppression device.	S.F. No. 1603, section 2 (on general orders). Similar; also includes civil penalty not in House bill.
23	Budget reserve transfer. Directs the commissioner of management and budget to transfer \$150 million to the budget reserve account on July 1, 2015.	S.F. No. 888, article 1, section 39. Different. Requires the commissioner of management and budget to transfer \$250 million to the budget reserve on July 1, 2015.
24	Notification of political contribution refund repeal. Requires the commissioner of revenue and the executive director of the campaign finance and public disclosure board to notify interested parties electronically of the political contribution refund repeal under section	No comparable provision.
25	Report on a tax credit for employers who hire veterans. Requires the commissioner of revenue to report to the legislature on allowing a corporate and individual income tax credit for employers who hire military veterans. The report must include: <ul style="list-style-type: none"> • information of the number of unemployed veterans in Minnesota; • information on usage of the portion of the federal Work Opportunity Credit that applies to the hiring of veterans; • information on credits for hiring veterans in other states; • analysis of different potential credit structures, including the credit proposed in 2015 H.F. No. 10; and • draft legislation for a tax credit that would take effect in tax year 2016. 	Article 1, section 22 allows an income tax credit for employers who hire veterans.
	No comparable provision	Section 31. Administrative appropriations. Appropriates funds to the commissioners of natural resources and revenue, respectively, to administer

Sec.	Article 10: Miscellaneous	Article 12: Miscellaneous
		the provisions in the bill. Effective the day following final enactment.
	No comparable provision	Section 32. Appropriation cancellations. Cancels unspent funds needed to provide the local match for federal relief funds to repair roads and bridges damaged by June 2014 flooding.
	No comparable provision	Section 33. Appropriation. Appropriates the same amount of funds cancelled in section 32 for use in fiscal year 2016.
26	Purpose statements. Provides purpose statements for the tax expenditures in this bill.	No comparable provision. (requirement for purpose statements repealed in section 34.)
27	Repealer. Repeals the political contribution refund program, the section of the data practices law relating to political contribution refunds, the section providing for refund receipts, and an administrative rule related to issuance of refund receipts. Effective for contributions made after April 15, 2015, and refund claims submitted after June 15, 2015.	No comparable provision
	No comparable provision	Section 34. Repealer. Repeals the requirement that any bill that creates, renews, or continues a tax expenditure must include a purpose statement and a standard or goal against which its effectiveness may be measured. Effective retroactively from January 1, 2014.
	No comparable provision	S.F. No. 888, 3rd engrossment (in conference committee) Article 1, section 1. Notice of Revocation; Hearings. Removes retailers purchasing more than a certain amount of cigarettes or tobacco products from an unlicensed seller from a list of violations for which the Commissioner of Revenue must give notice of intention to revoke a person's permit to collect sales taxes.
	No comparable provision	S.F. No. 888, 3rd engrossment (in conference committee) Article 1, section 2. Publication of Revoked Cigarette Licenses. Establishes a new process for the Commissioner of Revenue to provide notice that the commissioner will revoke a license to sell cigarettes or tobacco products at retail. The commissioner must mail a written notice to a license holder that the commissioner may, 30 or more days later, publish a list of people who have had their retail licenses to sell cigarettes or tobacco products revoked. The commissioner is permitted to publish the name of responsible persons of a license holder, if the license holder is a business. The list may be published by any medium or method and must contain specified information. The commissioner must remove the name of the license holder from the list five years from the date of the license revocation or when the license holder receives a license clearance.
	No comparable provision	S.F. No. 888, 3rd engrossment (in conference committee) Article 1, section 3. Retailer. Modifies the definition of "retailer."
	No comparable provision	S.F. No. 888, 3rd engrossment (in conference committee) Article 1, section 4. License Fees; Cigarettes. Raises the fee from \$300 to \$500 to apply for a license to distribute cigarettes. Raises the fee from \$24 to \$100 to apply for a license as a

Sec.	Article 10: Miscellaneous	Article 12: Miscellaneous
		cigarette subjobber. These fee increases are effective December 31, 2015.
	No comparable provision	S.F. No. 888, 3rd engrossment (in conference committee) Article 1, section 5. License Fees; Tobacco Products. Raises the fee from \$75 to \$500 to apply for a tobacco products distributor's license. Raises the fee from \$20 to \$100 to apply for a tobacco products subjobber's license. These fee increases are effective December 31, 2015.
	No comparable provision	S.F. No. 888, 3rd engrossment (in conference committee) Article 1, section 6. Powers of Commissioner. Permits the Commissioner of Revenue to refuse to issue or renew a distributor or subjobber license after the licensee or applicant has committed certain violations.
	No comparable provision	S.F. No. 888, 3rd engrossment (in conference committee) Article 1, section 7. Retailer and Subjobber to Preserve Purchase Invoices. Changes the time that a retailer and subjobber must preserve a legible copy of sales invoices for cigarettes or tobacco products. Under current law, a retailer and subjobber must preserve invoices for one year from the invoice date; this section requires a retailer and subjobber to preserve an invoice for a period of one year or as long as the cigarette or tobacco product listed on the invoice is available for sale or in their possession, whichever is longer. This section is effective for sales and purchases by subjobbers and retailers made on or after August 1, 2015.
	No comparable provision	S.F. No. 888, 3rd engrossment (in conference committee) Article 1, section 8. Revocation of Cigarette and Tobacco Retailer License. Establishes a process for the Department of Revenue to regulate the issuance by local governments of licenses to sell cigarettes and tobacco. Subdivision 1 Cigarette and tobacco retail revocation. Precludes a licensing authority (town, county, city, or state agricultural society) from issuing a license to sell cigarettes or tobacco if the Commissioner of Revenue has notified the licensing authority that a license holder has been in possession of contraband cigarettes or tobacco products at the location covered by the license. Requires a licensing authority to notify a license holder that their license is revoked as a result of sale of contraband products, with information about obtaining a license clearance. Requires the licensing authority to revoke a license within 30 days after receiving notice from the Commissioner of Revenue about the sale of contraband cigarettes or tobacco products, unless the Commissioner of Revenue has cleared the license. Defines terms for this section. Subdivision 2. New license after revocation. Precludes an applicant from applying for a license or seeking reinstatement of a revoked license to sell cigarettes or tobacco products unless the applicant presents a license clearance to the licensing

Sec.	Article 10: Miscellaneous	Article 12: Miscellaneous
		<p>authority. Precludes a licensing authority from issuing a new license to an applicant with a responsible person who has had a license revoked or to an applicant that has had a license revoked, unless the applicant presents a license clearance to the authority.</p> <p>Permits the Commissioner of Revenue to issue a license clearance if an applicant and all responsible persons of the applicant take specified actions, including paying sales taxes and depositing security or a surety bond of ten times the amount of tax on the contraband cigarettes or tobacco products.</p> <p>Requires the commissioner to pay interest on the security deposit and refund the deposit after two years unless the applicant has unpaid tax liabilities. Permits the commissioner to apply the security deposit to the unpaid tax liabilities and to tax on contraband cigarettes or tobacco products owned or offered for sale by the applicant after license clearance.</p> <p>Permits the commissioner to refund the security deposit before the end of two years if the license holder no longer holds a license issued by a licensing authority in the state.</p> <p>Permits the commissioner to notify a licensing authority to revoke a license if the license was issued without an applicant submitting a license clearance. Requires the commissioner to send notice of intent to require license revocation to the license holder and to the responsible person of the license holder.</p> <p>Permits the commissioner to refuse to issue a license clearance for two years after the applicant's most recent license revocation if the applicant had two or more revocations in a five-year period due to contraband cigarette or tobacco products possession or sales.</p> <p>Subdivision 3 Notice and hearing. provides a process for notice and contested case hearing before the commissioner requires a licensing authority to revoke a license. Specifies that a hearing under this subdivision is in lieu of any other hearing or proceeding provided by law.</p>
	<p>No comparable provision</p>	<p>S.F. No. 888, 3rd engrossment (in conference committee) Article 1, section 9. Penalty for Retailers Who Fail to Comply. Sets fines for a retailer who fails to produce invoices from a licensed seller within one hour of a request by the commissioner, or who offers for sale or holds inventory of cigarettes or tobacco products without a license. The fines escalate for multiple violations within a 36-month period: \$1,000 for a first violation, \$2,000 for a second violation, and \$5,000 for third and subsequent violations. Sets fines for a retailer that offers for sale or holds inventory of untaxed cigarettes or tobacco products, equal to the greater of \$2,000 or 150 percent of the tax due.</p>
	<p>No comparable provision</p>	<p>S.F. No. 888, 3rd engrossment (in conference committee) Article 1, section 10. Penalties for</p>

Sec.	Article 10: Miscellaneous	Article 12: Miscellaneous
		Willful Failure to File or Pay. Makes it a felony to willfully attempt to evade or defeat a tax by failing to file a required report or other document, or to collect or remit taxes under Minnesota Statutes, chapter 297F, relating to cigarettes, tobacco products, and premium cigars.
	No comparable provision	S.F. No. 888, 3rd engrossment (in conference committee) Article 1, section 11. Aggregation and Consolidation of Venue. Permits the aggregating of the number of unstamped cigarettes or value of untaxed tobacco products in charging a defendant with an offense. Permits prosecution in any county in which an offense is committed, when an individual commits offenses in more than one county.
	No comparable provision	S.F. No. 888, 3rd engrossment (in conference committee) Article 1, section 12. Contraband Defined. Clarifies the definition of cigarette or tobacco products that are contraband because of a failure of a retailer or subjobber to produce an invoice from a licensed seller within one hour of a request from the commissioner. Expands the definition of contraband to include cigarette and tobacco products offered for sale or held as inventory by a retailer operating without a license, regardless of whether tax has been paid.
	No comparable provision	S.F. No. 888, 3rd engrossment (in conference committee) Article 1, section 13. Notice to Commissioner. Adds information that a licensing authority must provide to the Commissioner of Revenue after issuing or renewing a license for the retail sale of tobacco, tobacco-related devices, and electronic delivery devices.
	No comparable provision	S.F. No. 888, 3rd engrossment (in conference committee) Article 1, section 14. Repealer. Repeals permission for the Commissioner of Revenue to revoke a sales and use tax permit of a retailer who purchased a specified amount of cigarettes or tobacco products from an unlicensed seller or if the retailer purchased for resale cigarettes without the proper stamp.

Sec.	No comparable article	Article 7: Minerals
	No comparable provision	Section 1. Occupation taxes to be apportioned. Modifies the appropriation from the general fund to the mining environmental and regulatory account, changes payment transfer dates from May 15 to July 1 annually, and appropriates an amount equal to 15 cents of the production tax to the newly created energy efficiency and mining protection fund. Effective beginning with the 2015 production year.
	No comparable provision	Section 2. Taconite economic development fund. Creates the energy efficiency and mining protection account within the taconite economic development fund to receive the occupation tax allocation apportioned in section 1. Funds from the account shall be released annually by the Iron Range Resources and Rehabilitation Board to each taconite and direct reduced ore producer in proportion to the amount of occupation tax paid in the prior year compared to the total amount of occupation paid by all producers in the prior year. The funds allocated to the account do not cancel nor are eligible for transfer to another account. Effective beginning with the 2015 production year.
	Article 10, section 15. Similar. Modifies the definition of direct reduced ore and exempts the taconite used in non-commercial production from the production tax. Does not sunset the tax incentive.	Section 3. Imposed; calculation. Extends the tax incentive sunset date offered for new producers of direct iron ore. Plants for which all environmental permits have been obtained and construction of the plant has begun before July 1, 2020, are now eligible for the reduced tax rates. Effective beginning with the 2015 production year.
	No comparable provision	Section 4. TEDF; deposits redirected. Provides that for concentrates produced by a plant subject to a reimbursement agreement dated September 9, 2008 (Essar), the amount of production tax that would have been paid to the taconite economic development fund is redirected and deposited in the Douglas J. Johnson economic protection trust fund until the commissioner of employment and economic development certifies that all requirements of the reimbursement agreement are satisfied. Effective the day following final enactment.
	No comparable provision	Section 5. Cities; towns. Adds six unorganized territories in St. Louis County to the distribution of the taconite production tax currently allocated to towns located within the taconite tax relief area. The amount allocated to the unorganized territories may be held by the county and combined for public infrastructure projects. Effective beginning with the 2015 production year.
	No comparable provision	Section 6. Iron Range school account. Provides that the Iron Range school consolidation and cooperatively operated account fund shall continue to receive the amount equal to two-thirds of the sum of the increased proceeds attributable to the increase in the implicit price deflator for distribution years 2015, 2016 and 2017. Effective for distributions beginning in 2016 and thereafter.

Sec.	Article 8: Electric Generation Machinery	
No comparable provision		Section 1. Commission approval. Deletes a cross-reference to the sliding scale market value exclusion relating to the Public Utility Commission's authority to approve an electric service agreement between a public utility and customer. Effective beginning with assessment year 2016 and thereafter.
No comparable provision		Section 2. Definitions. Specifies that the definition of "high-efficiency distributed generation" means a distributed energy facility that has a minimum efficiency of 40 percent, as calculated under Minnesota Statutes 2014, section 272.0211, subdivision 1. Effective beginning with assessment year 2016 and thereafter.
No comparable provision		Section 3. Mandate. Deletes a cross-reference to a facility-specific property tax exemption. Effective beginning with assessment year 2016 and thereafter.
No comparable provision		Section 4. Personal property; exceptions. Eliminates the personal property tax on personal property that is part of an electric generation system. Effective beginning with assessment year 2016 and thereafter
No comparable provision		Section 5. Personal property used for pollution control. Provides that the real or personal property of an electric generation system is not eligible for the pollution control exemption. Effective beginning with assessment year 2016 and thereafter.
No comparable provision		Section 6. Electric generation machinery; valuation. Establishes a new method of valuing the personal property of all electric generation systems, excluding solar energy generating systems and wind energy conversion systems. Definitions are provided for each type of generating system, and corresponding capacity rates and generation rates are set. An adjustment mechanism for the generation and capacity rates is provided. The commissioner of revenue shall annually calculate the electric generation tax base. The tax base of personal property of an electric generation system is equal to the sum of: (1) its nameplate capacity multiplied by its generation capacity rate; (2) the average of its electric energy production as reported to the commissioner of revenue for the immediately preceding five years, multiplied by its generation rate; and (3) its spent fuel tax base. Electric generation systems with a capacity of one megawatt or less is exempt. For purposes of levies based on market value, the electric generation tax base shall become part of the jurisdiction's market value tax base. For all levies based on net tax capacity, the electric generation tax base multiplied by two percent shall be added to the jurisdiction's net tax capacity base. Additional language is provided to determine the size of electric generation systems and to require annual reports of all generating systems with the commissioner of revenue. Effective for assessment year 2016 and thereafter.
No comparable provision		Section 7. Class 3. Strikes reference to personal property of an electric generation system from the

Sec.		Article 8: Electric Generation Machinery
		definition of class 3 properties. Effective for assessment year 2016 and thereafter.
	No comparable provision	Section 8. Listing and assessment where situated. Provides that the nonoperating property and operating real property of electric light and power companies that is part of an electric generation system shall be listed and assessed by the local or county assessor. Effective for assessment year 2016 and thereafter.
	No comparable provision	Section 9. Electric generation property transition aid. Authorizes transition aid to local units of government. For aids payable in 2017 and thereafter, transition aid equals: (1) the net tax capacity of all personal property of an electric generating system as determined for assessment year 2015 multiplied by the 2015 local tax rate; minus (2) the net tax capacity in the current year of all electric generating systems as determined under the new method of valuation, multiplied by the current local tax rate. Once a local unit becomes ineligible for aid, it may not subsequently become eligible. An amount sufficient to pay the aid is annually appropriated from the general fund.
	No comparable provision	Section 10. Repealer. Repeals certain facility-specific statutory exemptions from the personal property tax and the sliding scale market value exclusion.

Sec.	Article 9: Railroad Recodification	
	No comparable provision	<p>Section 1. Definitions. Amends Minnesota Statutes 2014, section 270.80, subdivisions 1, 2, 3, and 4 and adds new subdivisions 6 through 12 and 14. Amendments in sections 1, 2, and 4 to subdivisions 1 (updates the cross references to refer to the new sections), 2 (definition of railroad company), and 4 (non-operating property) are technical changes. Section 3 amends the definition of operating property to include but not be limited to road, locomotives, freight cars, and improvements to leased property. Sections 5 through 12 add new definitions for term “company,” “unit value,” “book depreciation,” “equalization,” “exempt property,” “original cost,” “system,” and “Minnesota allocated value”. Effective for assessment year 2015 and thereafter.</p>
	No comparable provision	<p>Section 2. Definitions. Amends Minnesota Statutes 2014, section 270.80, subdivisions 1, 2, 3, and 4 and adds new subdivisions 6 through 12 and 14. Amendments in sections 1, 2, and 4 to subdivisions 1 (updates the cross references to refer to the new sections), 2 (definition of railroad company), and 4 (non-operating property) are technical changes. Section 3 amends the definition of operating property to include but not be limited to road, locomotives, freight cars, and improvements to leased property. Sections 5 through 12 add new definitions for term “company,” “unit value,” “book depreciation,” “equalization,” “exempt property,” “original cost,” “system,” and “Minnesota allocated value”. Effective for assessment year 2015 and thereafter.</p>
	No comparable provision	<p>Section 3. Definitions. Amends Minnesota Statutes 2014, section 270.80, subdivisions 1, 2, 3, and 4 and adds new subdivisions 6 through 12 and 14. Amendments in sections 1, 2, and 4 to subdivisions 1 (updates the cross references to refer to the new sections), 2 (definition of railroad company), and 4 (non-operating property) are technical changes. Section 3 amends the definition of operating property to include but not be limited to road, locomotives, freight cars, and improvements to leased property. Sections 5 through 12 add new definitions for term “company,” “unit value,” “book depreciation,” “equalization,” “exempt property,” “original cost,” “system,” and “Minnesota allocated value”. Effective for assessment year 2015 and thereafter.</p>
	No comparable provision	<p>Section 4. Definitions. Amends Minnesota Statutes 2014, section 270.80, subdivisions 1, 2, 3, and 4 and adds new subdivisions 6 through 12 and 14. Amendments in sections 1, 2, and 4 to subdivisions 1 (updates the cross references to refer to the new sections), 2 (definition of railroad company), and 4 (non-operating property) are technical changes. Section 3 amends the definition of operating property to include but not be limited to road, locomotives, freight cars, and improvements to leased property. Sections 5 through 12 add new definitions for term “company,” “unit value,” “book depreciation,” “equalization,” “exempt property,”</p>

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		"original cost," "system," and "Minnesota allocated value". Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 5. Definitions. Amends Minnesota Statutes 2014, section 270.80, subdivisions 1, 2, 3, and 4 and adds new subdivisions 6 through 12 and 14. Amendments in sections 1, 2, and 4 to subdivisions 1 (updates the cross references to refer to the new sections), 2 (definition of railroad company), and 4 (non-operating property) are technical changes. Section 3 amends the definition of operating property to include but not be limited to road, locomotives, freight cars, and improvements to leased property. Sections 5 through 12 add new definitions for term "company," "unit value," "book depreciation," "equalization," "exempt property," "original cost," "system," and "Minnesota allocated value". Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 6. Definitions. Amends Minnesota Statutes 2014, section 270.80, subdivisions 1, 2, 3, and 4 and adds new subdivisions 6 through 12 and 14. Amendments in sections 1, 2, and 4 to subdivisions 1 (updates the cross references to refer to the new sections), 2 (definition of railroad company), and 4 (non-operating property) are technical changes. Section 3 amends the definition of operating property to include but not be limited to road, locomotives, freight cars, and improvements to leased property. Sections 5 through 12 add new definitions for term "company," "unit value," "book depreciation," "equalization," "exempt property," "original cost," "system," and "Minnesota allocated value". Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 7. Definitions. Amends Minnesota Statutes 2014, section 270.80, subdivisions 1, 2, 3, and 4 and adds new subdivisions 6 through 12 and 14. Amendments in sections 1, 2, and 4 to subdivisions 1 (updates the cross references to refer to the new sections), 2 (definition of railroad company), and 4 (non-operating property) are technical changes. Section 3 amends the definition of operating property to include but not be limited to road, locomotives, freight cars, and improvements to leased property. Sections 5 through 12 add new definitions for term "company," "unit value," "book depreciation," "equalization," "exempt property," "original cost," "system," and "Minnesota allocated value". Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 8. Definitions. Amends Minnesota Statutes 2014, section 270.80, subdivisions 1, 2, 3, and 4 and adds new subdivisions 6 through 12 and 14. Amendments in sections 1, 2, and 4 to subdivisions 1 (updates the cross references to refer to the new sections), 2 (definition of railroad company), and 4 (non-operating property) are technical changes. Section 3 amends the definition of operating property to include but not be limited to road,

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		locomotives, freight cars, and improvements to leased property. Sections 5 through 12 add new definitions for term “company,” “unit value,” “book depreciation,” “equalization,” “exempt property,” “original cost,” “system,” and “Minnesota allocated value”. Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 9. Definitions. Amends Minnesota Statutes 2014, section 270.80, subdivisions 1, 2, 3, and 4 and adds new subdivisions 6 through 12 and 14. Amendments in sections 1, 2, and 4 to subdivisions 1 (updates the cross references to refer to the new sections), 2 (definition of railroad company), and 4 (non-operating property) are technical changes. Section 3 amends the definition of operating property to include but not be limited to road, locomotives, freight cars, and improvements to leased property. Sections 5 through 12 add new definitions for term “company,” “unit value,” “book depreciation,” “equalization,” “exempt property,” “original cost,” “system,” and “Minnesota allocated value”. Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 10. Definitions. Amends Minnesota Statutes 2014, section 270.80, subdivisions 1, 2, 3, and 4 and adds new subdivisions 6 through 12 and 14. Amendments in sections 1, 2, and 4 to subdivisions 1 (updates the cross references to refer to the new sections), 2 (definition of railroad company), and 4 (non-operating property) are technical changes. Section 3 amends the definition of operating property to include but not be limited to road, locomotives, freight cars, and improvements to leased property. Sections 5 through 12 add new definitions for term “company,” “unit value,” “book depreciation,” “equalization,” “exempt property,” “original cost,” “system,” and “Minnesota allocated value”. Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 11. Definitions. Amends Minnesota Statutes 2014, section 270.80, subdivisions 1, 2, 3, and 4 and adds new subdivisions 6 through 12 and 14. Amendments in sections 1, 2, and 4 to subdivisions 1 (updates the cross references to refer to the new sections), 2 (definition of railroad company), and 4 (non-operating property) are technical changes. Section 3 amends the definition of operating property to include but not be limited to road, locomotives, freight cars, and improvements to leased property. Sections 5 through 12 add new definitions for term “company,” “unit value,” “book depreciation,” “equalization,” “exempt property,” “original cost,” “system,” and “Minnesota allocated value”. Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 12. Definitions. Amends Minnesota Statutes 2014, section 270.80, subdivisions 1, 2, 3, and 4 and adds new subdivisions 6 through 12 and 14. Amendments in sections 1, 2, and 4 to subdivisions 1 (updates the cross references to refer

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		to the new sections), 2 (definition of railroad company), and 4 (non-operating property) are technical changes. Section 3 amends the definition of operating property to include but not be limited to road, locomotives, freight cars, and improvements to leased property. Sections 5 through 12 add new definitions for term “company,” “unit value,” “book depreciation,” “equalization,” “exempt property,” “original cost,” “system,” and “Minnesota allocated value”. Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 13. Valuation of operating property. Amends internal cross references to the recodified section. Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 14. Operating or non-operating property. Provides that county as well as local assessors can request a determination by the commissioner of whether railroad property is operating or non-operating. Provides that requests must be submitted by April 1 of the assessment year and the commissioner must send the determination to the requestor by May 1. Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 15. Deduction for nonoperating and exempt property. Adds a new subdivision providing that property that is part of the unit valuation but that is nonoperating property or exempt from taxation must be excluded from the Minnesota allocated value and explains how this amount is calculated. Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 16. Annual reports. Amends the language regarding the reports that railroads are required to file with the commissioner before March 31 and adds a provision clarifying that the commissioner shall prescribe the content, format and manner of the report pursuant to section 270C.30 and adding a cross reference to the definition of “electronic signature”. Subdivision 2 modernizes the language allowing the commissioner to grant an extension of up to 15 days for railroads to file the reports required by law. A new subdivision 3 is added providing that railroad companies may file amended reports that correct or add information to the original reports. Also provides that amended reports must be filed by April 30. Adds a new subdivision 4 providing that if railroad companies fail to file the required reports or do not allow the commissioner to inspect their property, records, books, accounts or other papers when requested that the commissioner may make the valuation according to the commissioner’s best judgment based on available information. If the company does not make the required report by the due date or extended due date and the commissioner makes the valuation based on available information the commissioner’s valuation is final and may not be appealed administratively. Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 17. Examinations and investigations. Updates the language regarding the commissioner’s

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		power to conduct audits and examinations in order to determine the value of railroad operating property. Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 18. Appointment of persons to make examinations and subpoenas. Updates the language regarding the commissioner's power to appoint people to make the examinations and issue subpoenas. Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 19. Valuation of operating property. Amends Minnesota Statutes, section 270.84, subdivision 1 to include specific directions for valuing operating property. Most of the added instruction is adapted from Minnesota Rule Part 8106.0400 which is repealed. Changes include replacing the reference to the "Blue Chip Method" of calculating obsolescence which is no longer used, in favor of historical cost less depreciation. Also allows the commissioner to use appraisal judgment in determining which valuation methods to use (the methods must be based on generally accepted appraisal principles) and allowing the commissioner to determine the validity of the approaches to value and how to weight them. Adds new subdivisions 1a, 1b, and 1c, explaining how to calculate a cost, income and market approach. Amends Minnesota Statutes, section 270.84 subdivision 2 by modernizing the language regarding the notice of valuation that the commissioner must send to the railroad. Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 20. Apportionment, allocation and equalization of value. Amends Minnesota Statutes, section 270.86 subdivision 1 by modernizing the language regarding how the commissioner must apportion the market value of each railroad company's operating property to each county and taxing district in which the railroad operates. Adds subdivision 1a to explain how the value is allocated to Minnesota. Subdivision 2 is amended to modernize the language regarding the commissioner's duty to determine the equalized valuation of railroad operating property in each county. Effective for assessment year 2015 and thereafter.
	No comparable provision	Section 21. Certification to county assessors. Amends Minnesota Statutes, section 270.87 by modernizing the language regarding the commissioner's certification to county assessors of the value of railroad operating property. Effective for assessment year 2016 and thereafter.
	No comparable provision	Section 22. Railroad operating property. Amends Minnesota Statutes, section 272.02, subdivision 9 to provide that all operating property of railroads is included in the list of personal property that is taxable. Effective for assessment year 2016 and thereafter.

Sec.	Article 9: Railroad Recodification	
	No comparable provision	Section 23. Severability. Adds a severability clause that provides if any part of this article is found to be invalid, all other provisions of the act shall remain valid and any rights, remedies, and privileges that have been otherwise accrued by this act shall remain in effect.
	No comparable provision	Section 24. Revisor's Note. Directs the Revisor to move sections 270.80 through 270.87 into Chapter 273 and recodify them as sections 273.3712 through 273.3719. Internal cross references in section 270.80 through 270.87 will be corrected to refer to the new sections.
	No comparable provision	Section 25. Repealer. Repeals Minnesota Statutes, section 270.81, subdivision 4 because it merely states that property is not subject to tax unless it is already made subject to tax under chapter 272. This is unnecessary because chapter 272 adequately describes what property is taxable. It also repeals Minnesota Statutes, section 270.83, subdivision 3 because its provisions have been moved to new section 273.3714 (formerly 270.82). Repeals Minnesota Rules, chapter 8106 because its provisions are made obsolete due to statutory changes. Effective for assessment year 2016 and thereafter.

Sec.	Article 10: Public Finance	
No comparable provision		Section 1. To lease building or land. Clarifies the current law process for school districts to obtain permission to make additional capital expenditure levies for lease-purchase agreements.
No comparable provision		Section 2. Certificates of indebtedness; towns. Provides that bonds issued by the town for the purpose of eliminating R-22 (Freon) as a refrigerant used in ice-making systems in existing public facilities shall be payable in not more than 20 years.
No comparable provision		Section 3. Equipment acquisition; capital notes; Hennepin County. Provides that bonds issued by Hennepin County for the purpose of eliminating R-22 (Freon) as a refrigerant used in ice-making systems in existing public facilities shall be payable in not more than 20 years.
No comparable provision		Section 4. Cities may issue capital notes for capital equipment; charter cities. Provides that bonds issued by home rule charter cities for the purpose of eliminating R-22 (Freon) as a refrigerant used in ice-making systems in existing public facilities shall be payable in not more than 20 years.
No comparable provision		Section 5. Financing purchase of certain equipment; statutory cities. Provides that bonds issued by statutory cities for the purpose of eliminating R-22 (Freon) as a refrigerant used in ice-making systems in existing public facilities shall be payable in not more than 20 years.
No comparable provision		Section 6. General obligation revenue bonds; HRA. Increases the maximum amount of general obligation bonds that an HRA may issue to the greater of: (1) one-half of one percent of the estimated market value of the general jurisdiction governmental unit whose general obligation is pledged; or (2) \$5,000,000 (an increase from \$3,000,000).
No comparable provision		Section 7. Establishment; EDA. Eliminates the requirement that before an economic development authority establishes an economic development district, the authority must publish notice of the hearing in a “daily” newspaper, so that any newspaper of general circulation in the city is sufficient.
No comparable provision		Section 8. Street reconstruction and bituminous overlays. Allows a city to approve a plan to issue and sell obligations for street reconstruction or bituminous overlays with approval of a majority of the members of the governing body present rather than approval by all members of the governing body present at the meeting.
No comparable provision		Section 9. Requirements waived. Changes a reference of “financial” advisor to “municipal” advisor to be consistent with the current SEC generally accepted terms.

Sec.	No comparable article	Article 11: SFIA modifications
	No comparable provision	Section 1. Purpose. Adds emphasizing economic and ecological benefits to the purpose of the Sustainable Forest Incentive Act.
	No comparable provision	Section 2. Application. Extends the applicability of the definitions to include all of the sections in the SFIA chapter.
	No comparable provision	Section 3. Claimant. Strikes a requirement that the purchaser or grantee notify the commissioner in writing of the sale or transfer of the property as that requirement is addressed in another section and changes the application date. Effective for certifications and applications due in 2016 and thereafter.
	No comparable provision	Section 4. Forest land. Removes the prohibition of land exceeding 60,000 acres that is subject to a single conservation easement funded by the outdoor heritage fund, or a comparable permanent easement conveyed to a governmental or nonprofit entity from participation in the program. Effective for applications made in 2016 and thereafter
	No comparable provision	Section 5. Eligibility requirements. Modifies the eligibility requirements to require that (i) the forest management plan be registered with DNR; (ii) claimants enrolling land subject to a conservation easement funded by the outdoor heritage fund or comparable permanent easement allow year-round, nonmotorized access; and (iii) that the land is not classified as class 2c managed forest land. In addition, a minimum of three acres must be excluded from enrolled land when the land is improved with a structure that is not a minor, ancillary, nonresidential structure. If land does not meet the definition of forest land, the entire tax parcel that contains the land is not eligible to be enrolled in the program. Effective for certifications and applications due in 2016 and thereafter.
	No comparable provision	Section 6. Applications. Requires that the application form be prescribed by both the commissioners of revenue and natural resources, and contain the registration number for the management forest plan. Adds language to the covenant specifying that the covenant is binding and runs with the land for a period of not less than eight years, unless the claimant requires termination after a reduction in payments due to a formula change. The commissioner of revenue shall provide a copy of the application to the commissioner of natural resources who must confirm whether the applicant qualifies for enrollment. Effective for certifications and applications due in 2016 and thereafter.
	No comparable provision	Section 7. Annual certification and monitoring. Requires that a report describing the management practices that have been carried out on the enrolled property during the prior year be part of the annual certification form that must be signed and returned to the commissioner and provides that the commissioner of natural resources must conduct annual monitoring of a subset of claimants which may include a site visit by a department of natural resources or a contracted forester.

Sec.	No comparable article	Article 11: SFIA modifications
	No comparable provision	Section 8. Length of covenant. Provides for covenants with durations of eight, 20, or 50 years. Claimants enrolling any land subject to a conservation easement funded under the outdoor heritage fund must enroll their land under a covenant with a duration of eight years. Effective for certifications and applications due in 2016 and thereafter.
	No comparable provision	Section 9. Calculation of incentive payment. Provides that the annual payment for land enrolled in the program shall be equal to a percentage of the property tax that would be paid on the land determined by using the previous year's statewide average total tax rate for all taxes levied within townships or unorganized territories, the estimated market value per acre of managed forest land, and a class rate of one percent. Effective for calculations made in 2016 and thereafter.
	No comparable provision	Section 10. Annual payment. Provides that the commissioner of natural resources will certify to the commissioner of revenue the eligibility of each claimant to receive a payment. The commissioner of revenue shall pay the incentive payment on or before October 1 of each year. Effective for certifications and applications due in 2016 and thereafter.
	<p>Similar, Article 3, section 17</p> <ul style="list-style-type: none"> • References "approved claimant" instead of "current owner of enrolled land". • References the 8 year covenant only. • In the paragraph allowing early withdrawal for the acquisition of a conservation easement, the house version references conservation easements acquired by the "state" instead of the "government or nonprofit entity". House version does not require the DNR to notify revenue of the lands that are eligible for withdrawal as a result of the acquisition of these types of easements. • In the paragraph allowing early withdrawal for a fee or easement acquisition or lease for purposes of creating a public paved trail, the house version does not require DNR to notify revenue of the lands that are eligible for withdrawal as a result of these types of acquisitions and easements. 	Section 11. Withdrawal procedures. Provides withdrawal procedures for the eight, 20, or 50 year covenants and other early withdrawal procedures if the government or nonprofit entity acquires a permanent easement on the enrolled property that is at least as restrictive as the SFIA covenant or land that is subject to fee or easement acquisition or lease to the state for the public purpose of a paved trail.
	No comparable provision	Section 12. Transfer of ownership. Provides for the transfer of ownership for lands enrolled in the program. The owner must notify the commissioner of revenue if the owner transfers any or all of the land. Upon notification, the commissioner shall inform the new owner of the restrictions of the covenant and requires that the new owner must file an application and register a new forest management plan with the commissioner of natural resources within two years from the date the title was transferred to remain eligible. Effective the day following final enactment.

Sec.	No comparable article	Article 11: SFIA modifications
	No comparable provision	Section 13. Penalties for removal. Establishes penalties if enrolled land is: (i) in violation of the conditions for enrollment; (ii) if there was construction or addition of an improvement to the property; and (iii) or if the land is used for purposes other than forestry management. Effective the day following final enactment.
	No comparable provision	Section 14. Determination of appeal. Requires the commissioner of revenue consult with the commissioner of natural resources when an appeal relates to the use of the property for forestry or nonforestry purposes and for appeals related to the forest management plans. Effective the day following final enactment.
	No comparable provision	Section 15. Transition provision. For land currently enrolled in the program, the owner shall have two years to change the length of their covenant without penalty and to comply with the changes being made in this act. Effective the day following final enactment.
	H.F. 1590, art. 8, section 32 (on House general register). Same	Section 16. Repealer. Repeals definitions and provisions related to calculating the current use value and estimated market value that are not used anymore in calculating the SFIA payments. Effective the day following final enactment.

Sec.	No comparable article	Article 13: DOR Income, Corporate, and Estate
	H.F. 1590, 1 st engrossment, Article 1, section 1. Same	Section 1. Telefiling of income tax returns. Amends Minnesota Statutes, section 289A.08, subdivision 11, to remove references to telefiling of individual income tax returns. Filing state or federal returns by telephone has not been offered since 2005. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 6, sections 1 and 4. Same	Sections 2 and 5. Expanded electronic filing. Amends Minnesota Statutes, section 289A.08, subdivision 16, which requires that professional tax return preparers submit individual income tax returns electronically. Extends the requirement to professional preparers of corporate, partnership, and fiduciary returns. There is a \$5.00 fee for each return submitted by a professional preparer non-electronically. Customers may opt out of electronic filing without incurring the penalty by requesting that a preparer submit a return non-electronically. Section 5 amends Minnesota Statutes, section 289A.60, subdivision 28, which requires that an identification number be submitted on each individual income tax return prepared by a professional return preparer. Extends the requirement to professional preparers who prepare corporate, partnership and fiduciary returns. There is a \$50.00 penalty for each return submitted by a professional preparer without the appropriate identification number. Effective for taxable years beginning after December 31, 2014.
	H.F. 1590, 1 st engrossment, Article 1, section 2. Same with regard to reconciliation reports H.F. 1590, 1 st engrossment, Article 6, section 2. Same with regard to manner of form submission	Section 3. W-2 wage and withholding statements. Amends Minnesota Statutes, section 289A.09, subdivision 2, to allow the commissioner to determine the content, format, and manner in which W-2's must be submitted, regardless of the number of W-2's required to be submitted. Also removes the requirement for submission of reconciliation reports. Effective for W-2 statements required to be submitted to the commissioner after December 31, 2015.
	H.F. 1590, 1 st engrossment, Article 6, section 3. Same	Section 4. Reporting of exempt interest and dividends. Amends Minnesota Statutes, section 289A.12, subdivision 14, to require any person receiving \$10 or more of exempt non-Minnesota municipal bond interest or dividends and paying those amounts as nominee to an individual who is a resident of Minnesota, to report the amount paid to the recipient by February 15 of the year following the year of payment and by June 1 of the year following the year of payment to the commissioner. Effective for reports required to be filed after December 31, 2015.
	H.F. 1590, 1 st engrossment, Article 1, sections 3, 4, 5, and 9. Same	Sections 6, 7, 8, and 11. Certified pollution control facilities. Amends Minnesota Statutes, section 290.01, subdivisions 19c, clause (9) and 19d, clause (7), to remove language regarding certified pollution control facilities that refer to adjustments that have expired. The rest of the subdivisions are renumbered. Also amends cross references to Minnesota Statutes, section 290.01, subdivisions 19c and 19d, found in Minnesota Statutes, sections 290.01, subdivision 19b, and

Sec.	No comparable article	Article 13: DOR Income, Corporate, and Estate
		290.0921, subdivision 3, to reflect the updated paragraph. Amends cross references to Minnesota Statutes, section 298.01, subdivisions 3b and 4c, to reflect the updated paragraph numbers of section 290.01, subdivisions 19c and 19d. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 1, section 7. Same	Section 9. Long term insurance premiums credit. Amends Minnesota Statutes, section 290.0672, subdivision 1, to remove the specific reference to a “7.5 percent income test” for claiming medical deductions as a federal itemized deduction. Internal Revenue Code section 213 was amended in 2013 so that medical deductions are now subject to a 10 percent of adjusted gross income test except that it remains a 7.5 percent of adjusted gross income through 2016 for taxpayers age 65 or older. Effective retroactively for taxable years beginning after December 31, 2012.
	H.F. 1590, 1 st engrossment, Article 1, section 8. Same	Section 10. Individual alternative minimum tax. Amends Minnesota Statutes, section 290.091, subdivision 3, to remove an internal cross reference to a clause that no longer exists as a result of the 2008 repeal of language related to the alternative tax exemption amount applicable to tax years before 2005. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 6, section 5. Similar with minor language differences	Section 12. Landlord submission of certificates of rent paid to commissioner. Amends Minnesota Statutes, section 290A.19 to help simplify the filing process for renters by authorizing the commissioner to require owners or managing agents of residential rental property to furnish to the commissioner, through a simple process, a copy of each certificate of rent furnished to a renter. If required, the certificate must be submitted in the content, format, and manner prescribed by the commissioner and is due by February 1 of the year following the year the rent was paid. Effective for certificates of rent paid for rent paid after December 31, 2014.
	H.F. 1590, 1 st engrossment, Article 6, section 6. Similar with minor language differences	Section 13. Estate tax - property tax reclassifications. Amends Minnesota Statutes, section 291.03, subdivision 10, to provide that qualified farm property exempt from the estate tax shall not become disqualified solely because a portion of the property is reclassified from class 2a to class 4bb property under section 273.13, subdivision 25, during the three year holding period. Also provides that property shall not cease to be qualified under the qualified farm property exemption solely because no more than one-fifth is reclassified as 2b property under section 273.13, subdivision 23 during the three year holding period as long as the heir did not substantially alter the reclassified property during that period. Effective retroactively for estates of decedents dying after June 30, 2011.
	H.F. 1590, 1 st engrossment, Article 1, section 10. Same	Section 14. Estate tax erroneous cross reference. Amends Minnesota Statutes, section 291.031, to revise obsolete language concerning “tax paid” under section 291.03. The language in section 291.031 provides for a credit, which, until this year, was contained in section 291.03, which also

Sec.	No comparable article	Article 13: DOR Income, Corporate, and Estate
		<p>provides for the calculation of tax. In 2014 the legislature moved the credit provision to section 291.031. Because the language in section 291.031 was moved to a new section, the words “tax paid under this section” at paragraph (a), clause (2) are incorrect. Changing the reference so that it continues to refer to the “tax due” under section 290.03 corrects this issue. Effective retroactively for estates of decedents dying after December 31, 2013.</p>
	<p>H.F. 1590, 1st engrossment, Article 1, section 11. Same</p>	<p>Section 15. Repealer. Repeals Minnesota Rules, part 8092.2000, since it unnecessarily duplicates statutory law and contains obsolete references to particular Department of Revenue forms. This rule deals with procedures that construction contractors must follow to demonstrate compliance with income tax withholding obligations before receiving final payment under contracts with state or local government agencies. The repeal will not change the way that the Department administers Minnesota Statutes, section 270C.66, which is the underlying law. Effective the day following final enactment.</p>

Sec.	No comparable article	Article 14: DOR Sales and Special Taxes
	H.F. 1590, 1 st engrossment, Article 3, sections 1, 2, and 6. Same	Sections 1, 3 and 12. Township mutual insurance companies. Amends Minnesota Statutes, sections 69.021, subdivision 5, and 290.0922, subdivision 2, to replace the term “town and farmers’ mutual insurance companies” with “township mutual insurance companies”. Also amends Minnesota Statutes, section 297I.05, subdivision 2, to do the same thing. This is consistent with the use of the term in Minnesota Statutes, chapter 67A, which deals with these entities. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 7, section 1. Same	Section 2. MinnesotaCare tax; omission in excess of 25 percent. Amends Minnesota Statutes, section 289A.38, subdivision 6, to clarify that a person that omits from the MinnesotaCare tax return an amount of tax that is 25 percent higher than the amount reported may be assessed within 6-½ years after the due date of the return, or the date the return was filed, whichever is later. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 7, section 2. Same	Section 4. Pharmacy refund. Amends Minnesota Statutes, section 295.54, subdivision 2, to provide that the request for refund has to be filed on an annual return by March 15 of the year following the year in which the drugs were delivered outside Minnesota. A refund will not be allowed if the initial claim for refund is filed later than one year from that date. Effective for qualifying legend drugs delivered outside Minnesota after December 31, 2014.
	H.F. 1590, 1 st engrossment, Article 7, section 3. Same	Section 5. Bulk storage or bulk storage facility. Amends Minnesota Statutes, section 296A.01 by adding a new subdivision 9a to provide a definition of bulk storage or bulk storage facility. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 7, section 4. Same	Section 6. Motor fuel definition. Amends Minnesota Statutes, section 296A.01, subdivision 33, that defines motor fuel, to also refer to a gaseous form of fuel. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 3, section 3. Same	Section 7. Petroleum products definition. Amends Minnesota Statutes, section 296A.01, subdivision 42, that defines petroleum products, to clarify that biobutanol is a petroleum product. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 3, section 4. Same	Section 8. Biobutanol blends. Amends Minnesota Statutes, section 296A.07, subdivision 1, to clarify that biobutanol blends are taxable as gasoline. Effective day following final enactment.
	H.F. 1590, 1 st engrossment, Article 2, section 1. Same	Section 9. Deposit of revenues. Amends Minnesota Statutes, section 297A.82, subdivision 4a, to clarify that the amount that is to be deposited in the state airports fund from the sales tax collected on the sale or purchase of an aircraft is limited to the revenue generated from the sales tax imposed under section 297A.62, subdivision 1 (6.5 percent rate). The amount to be deposited in this fund does not include the revenue generated by the sales tax imposed under section 297A.62, subdivision 1a (0.375

Sec.	No comparable article	Article 14: DOR Sales and Special Taxes
		percent rate), which must be deposited as provided in the Minnesota Constitution.
	H.F. 1590, 1 st engrossment, Article 7, section 5. Same	Section 10. Untaxed gambling product. Amends Minnesota Statutes, section 297E.02, subdivision 7, to provide a tax return filing requirement for untaxed gambling. Provides authority to tax all forms of gambling that are illegal pursuant to the criminal code under chapter 609. Disclosure provisions are also provided. Effective for games played or purchased after June 30, 2015.
	H.F. 1590, 1 st engrossment, Article 3, section 5. Same	Section 11. Recyclable materials and source-separated compostable materials. Amends Minnesota Statutes, section 297H.06, subdivision 2, to clarify that the exemption from the solid waste management tax for recycling materials is only available if the price for handling the materials is separately itemized on a bill to the generator of the waste; and to correct terminology regarding the exemption for source-separated compostable materials, consistent with terms used in chapter 115A and related rules. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 3, sections 7 and 8. Same	Sections 13 and 14. Firefighter relief surcharge payments. Amends Minnesota Statutes, section 297I.10, subdivisions 1 and 3, to clarify that the commissioner of revenue, not the commissioner of management and budget, shall determine amount of payment for the firefighter relief surcharge for cities of the first class. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 3, section 9. Same	Section 15. Occupation tax deductions. Amends Minnesota Statutes, section 298.01, subdivision 3b, paragraph (b) to correct a cross-reference required by the renumbering of Minnesota Statutes, section 290.01, subdivision 19d in Article 1, section 5. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 3, section 10. Same	Section 16. Occupation tax net operating loss. Amends Minnesota Statutes, section 298.01, subdivision 4c, paragraph (a) to correct a cross-reference required by the renumbering of Minnesota Statutes, section 290.01, subdivision 19d in Article 1, section 5. Also amends Minnesota Statutes, section 298.01, subdivision 4c, to delete a reference to an obsolete net operating loss provision. The repealed provision applies to tax periods for which net operating loss carryover is no longer available. Effective the day following final enactment.

Sec.	No comparable article	Article 15: DOR Property Tax
	H.F. 1590, 1 st engrossment, Article 8, section 1.	Same, Section 1. Income producing property assessment data. Minnesota Statutes, section 13.51, subdivision 2, provides that certain property tax data related to income producing property that is collected by political subdivisions is private or nonpublic data. The amendment adds the state of Minnesota as a political entity so that the same type of data when collected by the state for purposes of making state assessed property tax valuations is also private or nonpublic data. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 8, section 2.	Same, Section 2. Definition of air commerce. Amends Minnesota Statutes, section 270.071, subdivision 2, to change the definition of air commerce to specifically include airline companies that make three or more flights in, out or within Minnesota during a calendar year. Effective for assessment year 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 8, section 3.	Same, Section 3. Definition of flight property. Amends Minnesota Statutes, section 270.071, subdivision 7, to provide that flight property does not include aircraft with a maximum takeoff weight of less than 30,000 pounds. Current law refers to aircraft with a gross weight of less than 30,000 pounds. Maximum takeoff weight is a standard aviation term that refers to the maximum weight at which the pilot of an aircraft is allowed to take off. Effective for assessment year 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 8, section 4.	Same, Section 4. Definition of person. Amends Minnesota Statutes, section 270.071, subdivision 8, to adopt the definition of “person” used in section 270C.01, subdivision 6, to make it consistent with the definition used for other taxes administered by the commissioner. Effective for assessment year 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 8, section 5. Same	Same, Section 5. Definition of intermittent or irregularly timed flights. Amends Minnesota Statutes, section 270.071 to add a new subdivision 10 defining “intermittent or irregularly timed flights” to mean flights in which departures and arrivals are negotiated with the customer. The term also includes charter flights. Effective for assessment year 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 8, section 6. Same	Same, Section 6. Assessment of flight property. Amends Minnesota Statutes, section 270.072, subdivision 2, to delete language that excludes aircraft with a gross weight of less than 30,000 pounds and used on intermittent and irregularly timed flights from the provisions of the Airflight Property Tax. This language will no longer be needed because the statute will use the term “maximum takeoff weight” instead of “gross weight”. This type of aircraft will no longer meet the definition of “flight property”, and therefore will not be valued for purposes of the tax. Companies using aircraft with maximum takeoff weights of less than 30,000 pounds and flown on intermittent and irregularly timed flights will still need to file reports. Effective for assessment year 2016 and thereafter.

Sec.	No comparable article	Article 15: DOR Property Tax
	H.F. 1590, 1 st engrossment, Article 8, section 7 and 10.	Same, Sections 7 and 10. Air flight and railroad property tax reports. Amends Minnesota Statutes, section 270.072, subdivision 3, and 270.82, subdivision 1, to provide that airline companies must file reports unless the commissioner determines that the company is exempt and clarifies that the commissioner may prescribe the content, format, and manner of air flight and railroad property tax reports pursuant to Minnesota Statutes, section 270C.30. Also adds a cross reference to the definition of “electronic signature” in section 270C.304. The provision requiring airline companies to file reports unless determined to be exempt is effective for reports filed in 2016 and thereafter. The provisions regarding the content, format and manner of reports are effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 8, section 8.	Same, Section 8. Commissioner may file reports for airline companies. Amends Minnesota Statutes, section 270.072 to provide that if an airline company does not file a report the commissioner may file a report for it based on information that the commissioner has or can obtain or may issue a notice of net tax capacity. Effective for assessment year 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 8, section 9.	Same, Section 9. State Board of Equalization (Board) reassessment orders. Amends Minnesota Statutes, section 270.12, by adding a new subdivision 6 to allow the Board to issue orders to county assessors to reassess all or part of a parcel in a county if the Board determines that property has been under or overvalued and the assessment is grossly unfair or inequitable. Effective for assessment year 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 8, section 11.	Same, Section 11. County Board of Appeal and Equalization Proceedings Minutes. Amends Minnesota Statutes, section 270C.89, subdivision 1, by eliminating the requirement that county boards of appeal and equalization file a printed or typewritten copy of meeting minutes with the Commissioner of Revenue. Effective for county boards of appeal and equalization meetings held in 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 4, section 1, 3 and 4.	Same, Sections 12, 20 and 21 Personal property; exceptions. Clarifies that all transportation pipelines are subject to assessment and taxation without regard to the material transported through the pipeline. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 8, section 12.	Same, Section 13. Wind Energy Conversion Systems. Amends Minnesota Statutes, section 272.029, subdivision 2, to provide that one of the criteria for determining whether the nameplate capacities of wind energy conversion systems may be combined in order to determine the total size of the system for purposes of the wind energy production tax rate is whether the systems were constructed within the same 12 month period. This change would make the criteria consistent with that used for the solar energy production tax. Effective for reports filed in 2016 and thereafter.

Sec.	No comparable article	Article 15: DOR Property Tax
	H.F. 1590, 1 st engrossment, Article 8, section 13.	Same, Section 14. Wind energy conversion system annual reports. Amends Minnesota Statutes, section 272.029, subdivision 4, to move the date for filing annual reports from February 1 to January 15. This makes it consistent with solar energy production tax reports. Effective for reports filed in 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 8, section 14.	Same, Section 15. Wind energy production tax reports. Amends Minnesota Statutes, section 272.029 by adding a new subdivision 8 to allow the commissioner to grant an extension of time to file Wind Energy Production Tax Reports for up to 15 days upon a showing of good cause. This makes it consistent with solar energy production tax reports. Effective for reports filed in 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 4, section 2.	Same, Section 16. Lead hazard market value reduction. Amends Minnesota Statutes, section 273.032 by removing the reference to the lead hazard market value reduction that was repealed in 2013 and is therefore obsolete. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 8, section 15 and 16.	Same, Sections 17 and 18. Division of duties between local and county assessor. Amends Minnesota Statutes, sections 273.061, subdivision 7 and 273.08 to require that local assessors must enter construction and valuation data into the records as directed by the county auditor and the county assessor. Effective for assessment year 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 8, section 17.	Same, Section 19. Valuation notice compliance. Amends Minnesota Statutes, section 273.121 by adding a subdivision 3 to provide that if a county or city assessor fails to timely mail valuation notices to taxpayers, the assessor must mail an additional valuation and convene a supplemental local board of appeal and equalization meeting or local review session. Effective for valuation notices sent in 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 8, section 18.	Same, Sections 22. Reports of utility companies. Amends Minnesota Statutes, section 273.371, subdivisions 1 and 2, and adds a new subdivision 3. The changes to subdivision 1 and 2 are technical changes that refer to utility and pipeline companies doing business in Minnesota and states that an extension to file the report must not exceed 15 days. These changes also provide conforming language to the new subdivision 3. The new subdivision 3 provides that if the utility company does not file the report required, the commissioner may file a report for the company or make valuations based on information in the commissioner's possession. Effective for assessment year 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 8, section 19.	Same, Section 23. State assessed property tax appeals. Amends Minnesota Statutes, section 273.372, subdivision 2, to provide that utility and railroad company appeals to the Minnesota Tax Court from orders of the commissioner must be Same , filed within the time period in section 271.06, subdivision 2, (60 days from the date of the order or 90 days if an extension is granted). Also provides that in the case of a conflict between section 273.372 and chapter 271 (Tax Court) or 278

Sec.	No comparable article	Article 15: DOR Property Tax
		(District Court or Tax Court), section 273.372 prevails. Current law only lists chapter 271. Effective for assessment year 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 8, section 20.	Same, Section 24. Railroad and utility company appeals. Amends Minnesota Statutes, section 273.372, subdivision 4, to make various changes in how utilities and railroads may appeal their valuations. Companies must request an administrative appeal in writing within 30 days of the valuation. The commissioner may grant a 15 day extension to file. The appeal must include identifying information about the company, include the assessment periods, identify findings that the company disputes and identify reasons for the dispute. An appeal conference must be held within 20 days, and the commissioner must notify the company of the final determination within 30 days after the conference. Taxpayers may appeal the commissioner's determination to either Tax Court or District Court. Paragraph (c) dealing with informal appeals is deleted because it is no longer necessary as the revised section spells out how railroad and utility companies may appeal their valuations. Effective for assessment year 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 8, section 21.	Same, Section 25. Settlement of appeals. Amends Minnesota Statutes, section 273.372, to add a new subdivision 5 providing that when it appears to be in the best interest of the state the commissioner may settle appeals of utility and railroad valuations. Effective beginning with assessment year 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 8, section 22.	Same, Section 26. Administrative appeal and appeal to tax court. Amends Minnesota Statutes, section 273.372 by adding a new subdivision 6 to clarify that if a taxpayer files an administrative appeal for an order of the commissioner and also files an appeal to Tax Court for that same order, the administrative appeal is dismissed and the commissioner no longer has to make a determination. Effective beginning with assessment year 2015 and thereafter.
	H.F. 1590, 1 st engrossment, Article 4, section 5.	Same, Section 27. Local boards of appeal and equalization. Amends Minnesota Statutes, section 274.01, subdivision 1, by clarifying that the statute's provisions related to meeting dates and times apply to local boards of appeal and equalization. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 8, section 28.	Same, Section 28. County board of appeal and equalization valuation. Amends Minnesota Statutes, section 274.13, subdivision 1, by providing that county boards of appeal and equalization may not make a change in value to benefit the property, if the owner has denied the assessor access to the property. This would make the authority of county boards of appeal and equalization consistent with local boards of appeal and equalization, which are already prohibited from making valuation changes after an owner has denied the assessor access. Effective for county board of appeal and equalization meetings in 2016 and thereafter.

Sec.	No comparable article	Article 15: DOR Property Tax
	H.F. 1590, 1 st engrossment, Article 4, section 6.	Same, Section 29. County Board of Appeal and Equalization certification. Amends Minnesota Statutes, section 274.135, subdivision 3, by extending the deadline from December 1 to February 1, for county boards of appeal and equalization to certify a trained member of the board in order to be eligible to hold regular board of appeal and equalization meetings. Effective for county boards of appeal and equalization meetings held in 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 4, section 7.	Same, Section 30. Public meeting announcement. Amends Minnesota Statutes, section 275.065, subdivision 1, to clarify that taxing authorities only need to announce the time and place of their regularly scheduled meetings at which the budget and levy will be discussed if they have such a meeting. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 8, section 24.	Same, Section 31. Property tax levy reports. Amends Minnesota Statutes, section 275.62, subdivision 2, by removing the requirement that towns with a population over 5,000 and communities receiving taconite aid file a property tax levy report. The reports are no longer needed for these towns and communities, as they are not subject to levy limitations. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 8, section 25.	Same, Section 32. State assessed property tax appeals. Amends Minnesota Statutes, section 278.01, subdivision 1, to clarify that appeals of valuation notices may be filed in Tax Court prior to May 1 of the year in which taxes are payable only on receipt of valuation notices received from county assessors. Current law includes a citation to the notices required by section 273.121 which applies to notices received from county assessors. The statute is being clarified so that taxpayers will be aware that the additional time to appeal valuation notices does not apply to state assessed property because those notices are not required by section 273.121. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 4, section 8.	Same, Section 33. Conveyances to public entities. Amends Minnesota Statutes, section 282.01, subdivision 1a, by clarifying and modernizing the language used in describing the procedures for taxing districts to sell tax-forfeited land. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 4, section 9.	Same, Section 34. Conditional use deed. Amends Minnesota Statutes, section 282.01, subdivision 1d, by clarifying that when a governmental subdivision wishes to purchase tax-forfeited property that it owns, but is subject to a conditional use deed, the governmental subdivision must reconvey the land subject to the conditional use deed to the commissioner of revenue before the commissioner may convey the property free of the use restriction. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 8, sec 26.	Similar, Article 11, section 5 <ul style="list-style-type: none"> • Senate version applies requirement for motorized and nonmotorized access to enrolled land that is subject to a

Sec.	No comparable article	Article 15: DOR Property Tax
		<p>conservation easement or comparable permanent easement conveyed to a governmental or non-profit entity.</p> <ul style="list-style-type: none"> • Senate version requires DNR to provide county assessors with information regarding the registration of forest management plans. • Effective date in senate version is for certifications and applications due in 2016. House version provides different dates for different provisions.
	H.F. 1590, 1 st engrossment, Article 8, section 27.	Same, Section 35. City email address. Amends Minnesota Statutes, section 477A.013 to add a subdivision 14 that requires cities receiving aid to register an official electronic mail address with the commissioner for use in communicating with the city. Effective for aids payable in 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 8, section 28.	Same, Section 36. Aquatic invasive species prevention aid. Amends Minnesota Statutes, section 477A.19 by adding a subdivision 3a to require the commissioner of natural resources to certify the number of watercraft launches and watercraft trailer parking spaces in each county for purposes of administering aquatic invasive species prevention aid. Effective for aids payable in 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 8, section 29.	Same, Section 37. Aquatic invasive species prevention guidelines. Amends Minnesota Statutes, section 477A.19 by adding subdivision 3b to require the commissioner of natural resources to certify to the commissioner of revenue the counties that have complied with the requirement to establish guidelines for addressing aquatic invasive species. Effective for aids payable in 2016 and thereafter.
	H.F. 1590, 1 st engrossment, Article 8, section 30.	Same, Section 38. Tax-forfeited property contracts for deed. Amends Minnesota Statutes, section 559.202, subdivision 2, by clarifying that the five-day rescission period for sales made by contracts for deed does not apply to sales of tax-forfeited property. Effective for sales of tax-forfeited land occurring after the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 8, section 31.	Same, Section 39. 2014 supplemental agricultural credit warrants. Amends Laws 2014, chapter 308, article 1, section 14, subdivision 2, to provide that if the commissioner cannot locate a taxpayer eligible for the 2014 supplemental agricultural credit by October 15, 2016, or if a qualifying taxpayer to whom a warrant was issued does not cash that warrant within two years from the date the warrant was issued, the right to the credit lapses. A separate amendment to Minnesota Statutes, section 270C.347, subdivision 1 in Article 5, section 5 allows the commissioner to reissue a lapsed warrant for up to five years after the original warrant was issued upon a showing of reasonable cause. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 4, section 12.	Same, Section 40. Repealer. Repeals Minnesota Statutes, section 273.111, subdivision 9a, which applies to enforcement actions related to compliance with agricultural chemical and water

Sec.	No comparable article	Article 15: DOR Property Tax
		quality statutes taken in 2009 through 2013, and is therefore obsolete. Also repeals Minnesota Statutes, section 281.22, which is an obsolete provision that provided a one-year notice period for the expiration of redemption for properties bid in for the state prior to 1935. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 4, section 10 and 11 Property tax exemption for public utility project. Amends Laws 2014, chapter 308, article 9, section 94 to restore an exemption for personal property of an electric generating facility that was inadvertently repealed in 2014. Section 11 provides that the provision is revived and reenacted. Effective retroactively from May 20, 2014.	No comparable provision
	H.F. 1590, 1 st engrossment, Article 8, sec 32	Same, article 11, section 16. Repealer. Repeals definitions and provisions related to calculating the current use value and estimated market value that are not used anymore in calculating the SFIA payments. Effective the day following final enactment.

Sec.	No comparable article	Article 16: DOR Miscellaneous
	H.F. 1590, 1 st engrossment, Article 9, sections 1, 3, 13 through 15, 16 through 20, 22 through 24, 26, 28 through 30, 33, 34 through 38, 40, and 42. Same	Sections 1, 4, 17 through 19, 20 through 24, 26 through 28, 30, 32 through 34, 37 through 42, 44, 46. Commissioner’s authority. Section 3 amends Minnesota Statutes, section 270C.30 to clarify that the commissioner may prescribe the content, format and manner of returns and forms. Other sections are amended to cross reference section 270C.30 and conform to this language so that language regarding the commissioner’s authority to prescribe how returns and forms are filed is uniform. Sections 1, 12 through 15 and 19 regarding property tax forms are also amended to cross reference the definition of “electronic signature” in section 270C.304 because the existing definition in chapter 270C does not apply to these property tax laws. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 9, sections 4, 5, 7, 8, 11, 12, 25, 27, 31, 32, 39, 41, 43 and 44. Same [Note: House has no section corresponding to Senate section 5]	Sections 5, 6, 7, 9, 11, 15, 16, 24, 29, 31, 35, 36, 43, 45, 47, 48. Tax court appeals; appealable orders and notices; period of time to appeal. Amends Minnesota Statutes, section 271.06, subdivisions 2 and 7, to provide that an appeal to Tax Court must be served and filed within 60 days of the notice date of an order, the same as the period of time to make an administrative appeal. Notice date is defined as the notice date designated by the commissioner on the order or assessment.
	H.F. 1590, 1 st engrossment, Article 5, section 1. Similar. House includes the income of a spouse unless the spouses are separated, rather than by reference to the spouse’s domicile.	Section 2. Revenue recapture definition of debtor. Amends Minnesota Statutes, section 270A.03, subdivision 5 to clarify the calculation that is used when evaluating whether a medical care debt may be submitted to the department’s revenue recapture system to have tax refunds applied to the debt. This proposal clarifies that the income of the debtor’s spouse is included in the calculation and that the spouse is considered a dependent. Additionally, the threshold income amounts listed in the statute are updated. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 9, section 3. Same	Section 3. Provide information to commissioner of human services. Amends Minnesota Statutes, section 270B.14, subdivision 1, paragraph (h), to allow the commissioner to provide information to the commissioner of human services to verify welfare income for eligibility and premium payment under the medical assistance program under Minnesota Statutes, chapter 256B. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 9, section 6. Same	Section 8. 2014 supplemental agricultural credit warrants. Amends Minnesota Statutes, section 270C.347, subdivision 1, to provide that upon a showing of reasonable cause for failure to cash a warrant for a supplemental agricultural credit the commissioner may reissue a replacement warrant for up to five years after the original warrant was issued. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 5, section 1. Same	Section 10. Administrative appeal. Amends Minnesota Statutes, section 270C.35 by adding a new subdivision 11 to clarify that if a taxpayer files an administrative appeal for an order of the commissioner and also files an appeal to Tax Court

Sec.	No comparable article	Article 16: DOR Miscellaneous
		for that same order, the administrative appeal is dismissed and the commissioner no longer has to make a determination. Effective for administrative appeals filed after June 30, 2015.
	H.F. 1590, 1 st engrossment, Article 9, section 9. Same	Section 12. Tax preparer administrative penalty; statute of limitation. Amends Minnesota Statutes, section 270C.445, to add a new subdivision 9 to establish that the statute of limitations to assess an administrative penalty against a tax return preparer for an improper return equals the amount of time allowed to assess tax. Establishes a five-year statute of limitations for imposing a penalty arising from violations not related to a specific tax return. Effective for tax preparation services provided after the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 9, section 10. Same	Section 13. Publication of tax preparers. Amends Minnesota Statutes, section 270C.446, subdivision 5, to extend from 90 days to three years the period of time in which the name of a tax preparer who has been subject to a penalty may be posted by the Department of Revenue. Effective the day following final enactment.
	H.F. 1590, 1 st engrossment, Article 5, section 3. Same	Section 14. Individual tax identification number. Amends Minnesota Statutes, section 270C.72, subdivision 4, to clarify that for purposes of the license clearance program, a licensing authority may accept an individual tax identification number in addition to social security and Minnesota business identification numbers. Effective the day following final enactment
	H.F. 1590, 1 st engrossment, Article 9, section 21. Same	Section 25. Deed tax on school forest. Amends Minnesota Statutes, section 287.2205 by clarifying that the deed tax for a conveyance of tax-forfeited land for a governmental subdivision for a school forest is \$1.65. Effective the day following final enactment.