

March 25, 2025

	<b>Yes</b>	<b>No</b>
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of S.F. 2580 (Rest) / H.F. 2048 (Davids)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2026</u></b>	<b><u>F.Y. 2027</u></b>	<b><u>F.Y. 2028</u></b>	<b><u>F.Y. 2029</u></b>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Effective the day following final enactment for notifications for contributions made in 2023 only.

**EXPLANATION OF THE BILL**

**Current Law:** Under Section 219(f)(3) of the Internal Revenue Code, a taxpayer is treated as having contributed to an individual retirement account (IRA) on the last day of the preceding tax year if the contribution is made by the deadline for filing a tax return for that year, excluding extensions (generally April 15).

**Proposed Law:** Under the bill, an annuity contract provider that received an IRA contribution within the federal time limit must treat the contribution as having been made for the preceding tax year if the provider receives notification from the individual indicating the tax year designation for the contribution within three years from the original due date for filing the return.

This provision is effective retroactively for notifications for contributions made in 2023 only.

**REVENUE ANALYSIS DETAIL**

- The bill would have no fiscal impact since IRA contributions are subject to federal law rather than state law.
- If eligible contributions made in 2023 were treated as having been made in 2022, then that could allow affected taxpayers to make additional contributions in 2023, resulting in a negligible revenue loss.
- It is assumed that the taxpayers would file amended returns for tax years 2022 and 2023.

Minnesota Department of Revenue  
Tax Research Division  
<https://www.revenue.state.mn.us/revenue-analyses>