

April 8, 2021

To Representative Marquart

From Alexandra Haigler, Legislative Analyst
Christopher Kleman, Legislative Analyst
Jared Swanson, Legislative Analyst
Sean Williams, Legislative Analyst

Subject Contents of the H0991A1 amendment (author's amendment)

Below is a summary of what each line in the author's amendment accomplishes:

Page and Line(s)	Purpose
1.3 - 1.6	Adds effective date to section in conformity article.
1.7 - 1.10	Clarifies the calculation of the business interest addition and the effective date for individuals.
1.11 - 1.13	Clarifies the amount of the EBL addition and the effective date.
1.14 - 1.17	Clarifies the IRC reference for the NOL addition and the inclusion of the EBL addition in the calculation of NOLs under the IRC of 2018.
1.18 - 1.19	Clarifies the amount of the subtraction for delayed business interest and deletes an inapplicable reference related to the corporate business interest subtraction calculation.
1.20 - 2.1	Deletes confusing and unnecessary language related to S corps for the delayed business interest subtraction and clarify the effective date.
2.2 - 2.5	Clarifies the reference used for calculating the delayed NOL subtraction and the inclusion of EBLs in the calculation, deletes unnecessary and confusing language related to S corps.
2.6 - 2.12	Clarifies the calculation for the corporate business interest addition and the effective date.
2.13 - 2.14	Clarifies the amount to use when calculating the amount of the delayed business interest subtraction, for corporations.
2.15	Deletes unnecessary language related to taxpayers who file returns under the Internal Revenue Code, as amended through December 31, 2018.
2.16	Makes a clarifying change to the taxable year reference for which the current and proposed angel credit allocation is effective.
2.17 - 2.19	Clarifies that the film credit may be assigned at any time but that only the unused portion of a carryover may be assigned.

Page and Line(s)	Purpose
2.20 - 2.24	Modifies the effective date for the composite return filing section due to the retroactive EDs of the NOL, EBL, and 163(j) provisions.
2.25 - 2.29	Modifies the effective date for the individual AMT section due to the retroactive EDs of the NOL, EBL, and 163(j) provisions.
2.30 - 2.31	Clarifies that, for a worldwide election under the GILTI trigger tax, a CFC may elect an accounting method as allowed under the IRC.
3.1 - 3.8	Adds language to the partnership audit article regarding negative audits that was recently proposed by the MTC.
3.9 - 3.15	Provides that the maximum refund of sales tax paid on COVID-related equipment purchased by restaurants is \$1,000 per restaurant identified by their FEINs or sales tax account numbers. Also provides that if a business files a consolidated sales tax return for multiple restaurant locations, each location may receive a refund of up to \$1,000.
3.16 - 3.20	Requires applications for refunds of the state general tax be submitted to the county, which would then certify refund amounts to the commissioner.
3.21 - 8.17	Adds three sections to the Property Tax article which make additional conforming changes for the provision that allows individuals with individual tax identification numbers (ITINs) to qualify for homestead.
8.18 - 8.19	Removes unnecessary changes in the SFIA split-classification provision.
8.20	Requires school districts to submit summary budget information for the current year and prior year in the supplemental statement established in the bill.
8.21 - 8.22	Clarifies that the requirements for the budget and levy discussions during the Minnesota Property Taxpayer's Day hearings are the same requirements that are currently in place for the Truth-in-Taxation hearings.
8.23 - 9.8	Ensures that fire protection special taxing districts are treated as a single department for fire state aid and requires these districts to send information on their service area to the commissioner of revenue.
9.9 - 9.32	Removes the levy limit for the Cloquet Area Fire and Ambulance Special Taxing District to match the taxing authority allowed for fire protection special taxing districts in the bill.
10.1 - 10.2	Adds language to cover additional parcels that may have been split-classified, clarifying that these parcels are not in violation of the SFIA program.
10.3	Clarifies that distributions of the local homelessness prevention aid are based on each county's three-year average of students experiencing homelessness in each school year.
10.4 - 10.5	Establishes a deadline for counties to submit data required for the report on local homeless prevention aid.
10.6 - 10.7	Allows the city of Hermantown to collect \$10,840,000 from its local option sales tax for renovation of the Hermantown Hockey Arena.

Page and Line(s)	Purpose
10.8	Allows the city of Moorhead to collect \$31,590,000 from its local option sales tax for construction of a regional library and community center.
10.9	Tax expenditure review: clarifying change about the schedule for reviewing tax expenditures.
10.10 - 10.11	Requires MMB to consult with DOR when updating the taxpayer receipt.
10.12 - 10.18	Requires MMB to provide the percentage of June accelerated liabilities to DOR by March 15 each year if a reduction is required based on a November forecast. Also requires DOR to certify that percentage to stakeholders by April 15 each year.
10.19	Clarifies that only available data needs to be included in the 4d report.
10.20 - 10.25	Requires DOR to remit fire remediation grant funds to the cities of Melrose and Alexandria by July 20, 2021. Clarifies that the cities are responsible for administering the grant funds to public or private entities in each city.
10.26	Moves free filing report due date from January 15, 2022, to February 15, 2022.

AH/CK/JS/SW/mc