



Department of Revenue

2025 Agency Overview

Commissioner Paul Marquart

Mission/Vision/Values

Mission

Working together to fund the future for all of Minnesota

Vision

Everyone reports, pays, and receives the right amount: no more, no less

Values

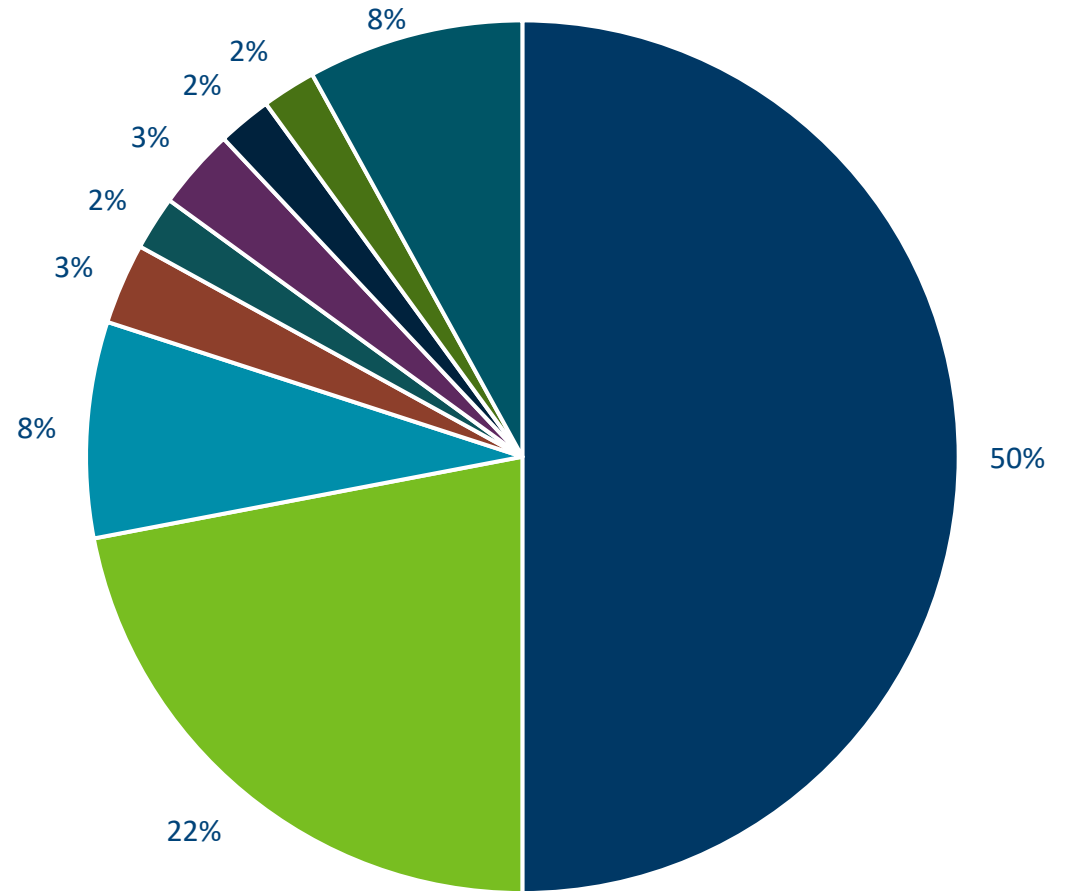
Accountability, Excellence, Inclusion, Integrity, Partnership, and Service



Tax Revenue

Revenue manages, administers, and collects \$33 billion annually to provide vital resources for services and programs around the state

This is accomplished with an administrative cost of 0.6%



- Income Tax
- Sales Tax
- Corporate
- Gasoline and Fuels
- Motor Vehicle License Tax
- Motor Vehicle Sales Tax
- Statewide Property Tax
- Health Care Taxes
- All Other Taxes

Tax Aids and Credits

- The Department also pays several types of aids and credits for Minnesotans:
 - Child Tax Credit and Advanced Child Tax Credit
 - Renter's Credit
 - Local Government Aid
 - Homeless Prevention Aid
 - County Program Aid
 - Tribal Nation Aid
 - Homestead Credit Refunds

Tax revenue funds vital programs that benefit Minnesotans

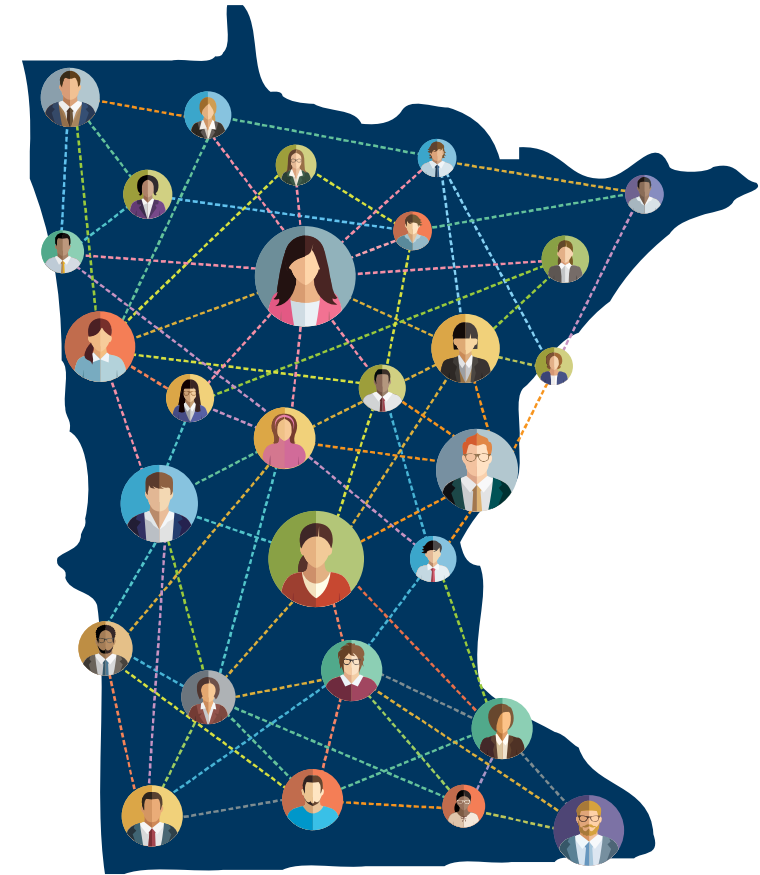
- Education
- Infrastructure
- Healthcare & Public Health
- Public Safety
- Roads/bridges/transit
- Natural Resources



Who Do We Serve?

Our broad base of customers around the state

- 3.1 million individual income tax filers
- Over 800,000 property tax refund filers
- 800 licensed property tax assessors
- More than 500,000 businesses
- More than 370,000 sales tax filers



Who Do We Serve?

Governor and Legislature

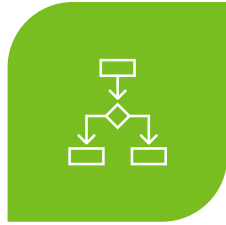
- We consult and confer with the Governor regarding taxation
- We recommend to the legislature appropriate changes in law necessary to help serve Minnesota taxpayers



Tax Committee Support

- Our research division produces revenue estimates and the Tax Incidence Study to help inform Tax Committees
- We also produce tax reports on many topics to help keep policymakers informed
 - Property Values and Agricultural Valuation and Classification
 - Adjusted Net Tax Capacity for School Districts
 - The Voss Report
 - Tax Expenditure Budget

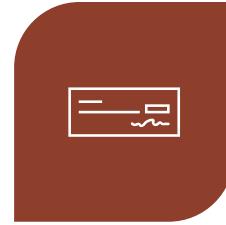
Serving Taxpayers



PROCESSED MORE THAN 7.2 MILLION TAX RETURNS AND REFUNDS. A 4.2% INCREASE OVER HISTORICAL AVERAGE



COLLECTED \$33.4 BILLION IN STATE AND LOCAL TAXES



RETURNED \$560 MILLION DOLLARS TO FAMILIES THROUGH THE NEW MINNESOTA CHILD TAX CREDIT



PROCESSED MORE THAN 1,000 E-BIKE REBATES TO MINNESOTANS TOTALING NEARLY \$1 MILLION



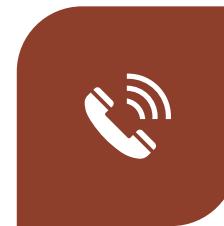
PROCESSED 1.2 MILLION PROPERTY TAX REFUNDS, TOTALING NEARLY \$1.2 BILLION RETURNED TO MINNESOTANS



PARTNERED WITH MORE THAN 374,000 BUSINESSES TO ADMINISTER SALES TAX



ASSISTED MORE THAN 3,400 LOCAL GOVERNMENTS WITH TAX ADMINISTRATION



RESPONDED TO OVER 475,000 PHONE CALLS AND 100,000 CUSTOMERS BY EMAIL OR IN-PERSON



SERVED 9.5 MILLION VISITORS THROUGH OUR WEBSITE

Protecting Taxpayers



Stopped nearly \$30 million in fraudulently filed tax refunds from going out the door



Collected over \$487 million in past-due taxes owed to Minnesota state and local governments through audit, collection, and enforcement activities



Resolved nearly 400,000 unique tax collection cases



Charged 44 criminal tax fraud cases in court



Returned more than \$4.2 million in court-ordered restitution from tax fraud cases back to the state



Blocked more than 480,000 malicious attacks on our website

Voluntary Compliance Through Education

- A large part of the department's role is helping customers understand their obligation and working to get – and keep – them in compliance
- To do that, we provide education and outreach to customers through:
 - Training and Outreach events
 - Videos
 - Website content
 - Phone, emails, letters, and in-person customer contact
 - Media – press releases, interviews, social media
 - State Fair booth

Communities and Taxpayers

- We work to inform taxpayers of tax law developments that impact them and ensure taxpayers receive the benefit of law changes, such as:
 - Child Tax Credit – Advanced Child Tax Credit
 - Renter Credit changes
 - Federal Conformity
- We also have offices within Revenue dedicated to working with and assisting taxpayers:
 - Office of Public Engagement
 - Taxpayer Rights Advocate

Administering Minnesota's Tax Code

- Help customers understand and meet their obligations under the law
- Many different tax types
 - Individual Income
 - Property
 - Sales and Use
 - Corporate
 - Mineral
 - Lawful Gambling
 - Liquor
 - Tobacco
 - Petroleum
 - and more...



Tax Administration

Revenue's Priorities



Enhance simplicity and transparency for customers



Support voluntary compliance



Assist taxpayers and preparers



Protect integrity of the tax system

Tax Administration Cycle



ENGAGE WITH STAKEHOLDERS

Build relationships and gather input around existing efforts to administer Minnesota's tax code, and opportunities to expand and enhance approaches for engagement and equity in communities across Minnesota.



RECOMMEND TAX LAW, POLICY, AND ADMINISTRATION CHANGES

Consult and confer with the Governor and recommend to the legislature, through research, analysis and equity review, the changes in law necessary to carry out the mission and improve the performance of the department.



INFORM

Educate Minnesotans on their opportunities and obligations under Minnesota's tax code through customer service interactions, direct communication, community outreach, engagement, and stakeholder partnerships, to prioritize voluntary compliance.



PROCESS RETURNS/COLLECT PAYMENTS/ISSUE REFUNDS

Administer 30 different tax types, collect \$33 billion in tax revenue, process more than 6 million unique payments, and issue approximately 3.5 million refunds each year.



AUDIT RETURNS

Review tax returns to ensure we're collecting the right amount of tax so that everyone pays, reports, and receives the right amount: no more, no less.



TAKE COLLECTION ACTION

Collect tax debts, and debts owed to other government agencies in Minnesota, by working directly with taxpayers and considering their various financial circumstances.



ENFORCE TAX LAW

Process and litigate appeals, and investigate alleged violations of Minnesota tax laws, including individuals and businesses who do not file or pay their taxes, file fraudulent tax returns, or engage in other tax evasion activity.



SUPPORT

Provide expertise necessary to make certain agency operations run efficiently and effectively, including finance, human resources, legal, employee development, communications, business planning, and safety/security.



Process to Update Tax Filing Systems

May

August

January

Engage and Communicate with Stakeholders

Synthesize Law Changes

Tax Processing System Development and Testing
see other side for details

Tax Forms Updates and
Development

Software Provider Certification
and Testing
see other side for details

Publish
Near Final
Forms

Publish
Final
Forms

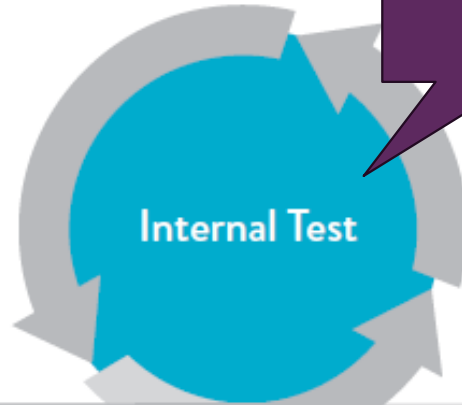
Filing
Season
Open

Tax Processing System Development and Testing

Minnesota
Department
of Revenue

August

Publish Near
Final Forms



67,000+

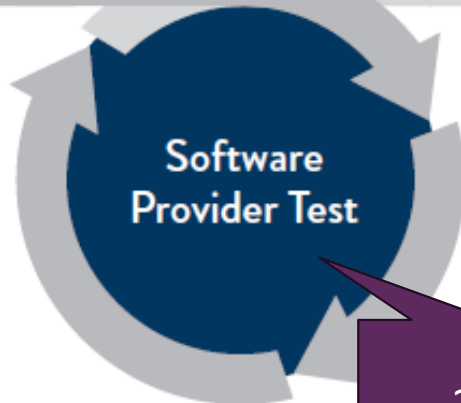


2,500+

January

Implementation

Software Providers



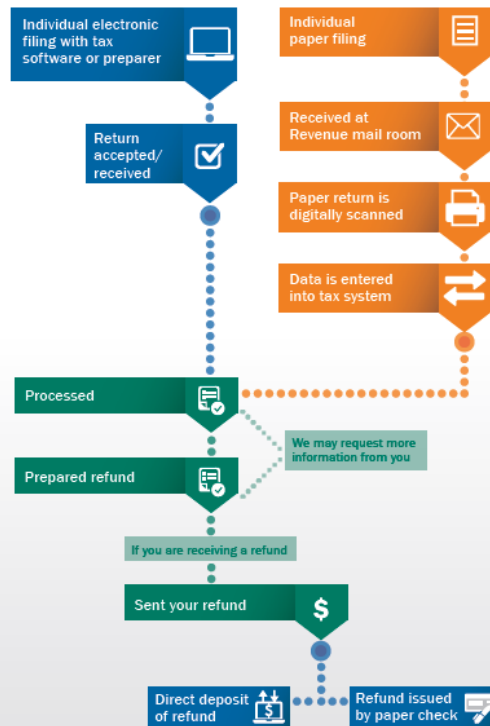
3,775+



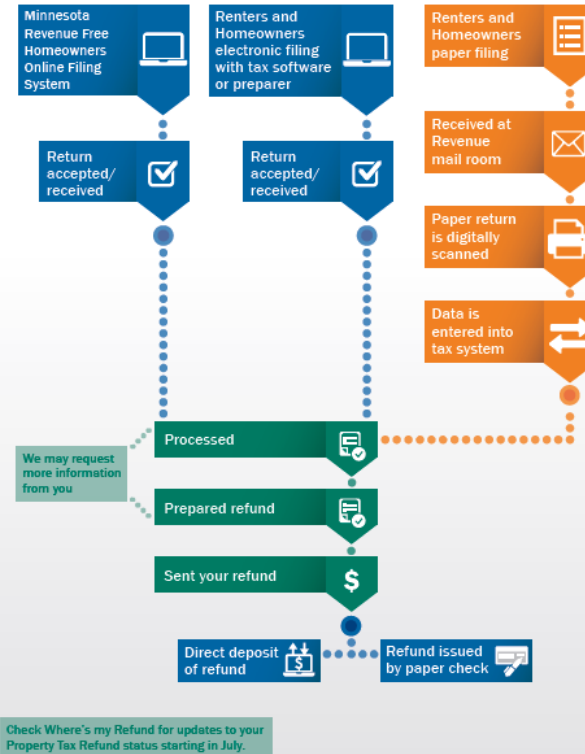
Software Provider Certification and Testing

Return Processing

Individual Income Tax Return Process



Property Tax Refund Process





Revenue Operations

Improving Customer Experience Through Technology

- **Promoting voluntary compliance by improving customer experience**
 - More self-service options through e-Services – payments, balance lookup, correspondences, letters
 - Chatbot added to our e-Services system - can answer common questions, not customer-specific questions
 - Automatic translation tool now on our website – Spanish, Hmong, Somali
 - Securing and protecting customer data from unauthorized persons or use – identity verification, multi-factor authentication, access audits

Efficiencies and Managing Costs

Contact center enhancements

- Leveraging greater use of technology to answer calls, look-up information, and get taxpayers the answers they need to voluntarily comply with the tax code.

Expanding alternative customer service options

- Increased use of artificial intelligence to answer basic questions found on website, more efficiently use staff for complex customer service needs.

Shrinking physical footprint

- Revenue has reduced its total physical office space by more than 35% since 2020, resulting in an annual savings of more than \$2.4 million each year.

Securing Taxpayer Information is Everyone's Job



Employee Roles



1,400 employees including:

- Auditors
- Return processors
- Collections officers
- Taxpayer assistance representatives
- Tax aid administrators
- Researchers
- Attorneys
- Outreach and Communications

Other Agency Partners

MNIT

- Data security
- Tax management system

MMB

- Reporting and forecasting

Administration

- Paper mail distribution
- Facilities support

Employment and Economic Development

- Check printing (refunds and Advanced Child Tax Credit)



Thank You!
Questions?

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600 North Robert St.