

HOUSE RESEARCH

Bill Summary

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Authors: Nelson and others

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Analyst: Joel Michael, 651-296-5057
Nina Manzi, 651-296-5204

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Overview

This bill requires information reporting to the Department of Revenue (DOR) for contractor payments that are subject to federal information reporting requirements to the Internal Revenue Service (IRS). Under present law, DOR has statutory authority to require payers to provide it with copies of this information. It generally chooses not to do so and obtains the information from the IRS.

Section

1 Information reporting. Requires payers who federal law requires to file Form 1099 information with the IRS for contractor payments to also file a copy of the return with DOR. This applies if the payments either were made to a Minnesota resident or if the services were performed in the Minnesota. The commissioner may require the information to be filed electronically.

Present law gives the commissioner of revenue authority to require this information to be filed by notice and demand to the payer.

2 Appropriation. Appropriates an undesignated amount of money to implement the filing requirement in section 0. The appropriation can be used to develop information systems, match the information returns with tax returns or other information, or to audit taxpayers.