

HOUSE RESEARCH

Bill Summary

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Authors: Erhardt and others

Subject: Reducing the percent of June tax revenues remitted on an accelerated basis

Analyst: Pat Dalton, 651-296-7434

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Overview

Currently all persons with an annual sales tax, tobacco and cigarette tax, or liquor tax liability of \$120,000 or more in the previous year must pay 78 percent of their June collections two business days before the end of June. This bill would reduce the accelerated payment to 50 percent of their June liability.

Section

- 1 Sales and use tax.** Reduces the percent of June sales tax collections that large vendors must remit before the end of June from 78 percent to 50 percent. All other tax collections are due by the 20th of the month following the month of collection. Effective beginning with June 2008 tax liabilities.
- 2 Accelerated payment of June sales tax liability; penalty for underpayment.** Adjusts the minimum accelerated payment required to avoid penalties due to underestimation to reflect the lower percentage payment in section 1.
- 3 Accelerated tax payment; cigarette or tobacco products distributor.** Reduces the percent of June tax collections that large cigarette and tobacco distributors must remit before the end of June from 78 percent to 50 percent. All other tax collections are due by the 18th of the month following the month of collection. Adjusts the minimum accelerated payment required to avoid penalties for underestimation to reflect the lower percentage payment. Effective beginning with June 2008 tax liabilities.
- 4 Accelerated tax payment; penalty.** Reduces the percent of June tax collections that large collectors of the liquor excise tax must remit before the end of June from 78 percent to 50 percent. All other tax collections are due by the 18th of the month following the month of

Section

collection. Adjusts the minimum accelerated payment required to avoid penalties for underestimation to reflect the lower percentage payment. Effective beginning with June, 2008 tax liabilities.