HOUSE RESEARCH

Bill Summary =

FILE NUMBER: H.F. 3741 **DATE:** April 27, 2010

Version: With the H3741A1 amendment

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Subject: Modifying certain payment schedules

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Overview

The bill makes permanent changes to certain payment and revenue collection schedules to reduce monthly low points in general fund cash flow.

Section

- Monthly payments; University of Minnesota. Changes the date for the monthly payments of appropriations to the University from the 21st to the 25th.
- **State property taxes; county treasurer.** Requires the counties to pay state property taxes to the state on the same schedule of estimated and final payments used to distribute property taxes to school districts. This moves the settlement dates with the state from June 28th and December 2nd, to June 5th and November 2nd.
- Sales and use tax. Requires vendors who collect and remit \$120,000 or more annually in sales tax to remit 90 percent of their monthly liability on the 14th of the month after it was collected with the remainder due on the 20th of the month. Currently the entire amount is due on the 20th of the month. The settle-up date for June accelerated payments remains at August 20. Requires that all fees and other taxes reported on the same return be remitted on the same schedule as well. Effective for taxes due and payable after September 1, 2010.
- Accelerated payment of monthly sales tax liability; penalty for underpayment. Provides a penalty for underpayment of the 90 percent of estimated tax liability due on the 14th of the month equal to 10 percent of the underpayment amount. Provides a safe harbor for avoiding the penalty by making a payment equal to the lesser of (1) 90 percent of the liability of the previous month or (2) 90 percent of the liability for the same month in the previous calendar year, or (3) 90 percent of the vendor's average monthly liability for the previous calendar year.