

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 393

DATE: February 14, 2011

Version: As introduced

Authors: Howes and others

Subject: Eliminate the early sales tax remittances for all months except June

Analyst: Pat Dalton

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Overview

In 2010, as part of a series of changes designed to improve the state's cash flow, vendors with annual sale tax liabilities of \$120,000 or more were required to begin submitting early remittances every month. The vendor had a choice of either paying 67 percent of estimated remittances on the 20th of the month in which a sale occurs, or 90 percent on the 14th of the month after the month in which the sales occurs, with final payments due on the 20th of the month after the month in which the sale occurs. This bill eliminates all early sales tax payments except for the June accelerated payments and returns to the law as it existed before the change enacted during the 2010 session.

Section

- 1** **Sales and use tax.** Eliminates the accelerated remittance schedules for vendors with annual sales tax collections of at least \$120,000 for all months except for June payments. Effective for all payments due after July 1, 2011.
- 2** **Repealer.** Repeals the penalty and safe harbor provisions related to the early remittance schedules eliminated in section 1.