

# HOUSE RESEARCH

## Bill Summary

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### Overview

This bill permanently repeals the political contribution refund (or PCR) program and the income tax check-off for campaign financing. The PCR was suspended by 2010 legislation and is not in effect for the fiscal 2010-2011 biennium, but is scheduled to be reinstated on July 1, 2011.

Under the PCR, individuals contributing to a Minnesota political party, a candidate for state office, or candidates for the Minnesota legislature qualified for a state-paid refund of their contributions up to \$50/year (\$100 for a married couple). Only contributions to candidates who signed an agreement with the Campaign Finance and Public Disclosure Board to observe state campaign spending limits qualified for the refund.

This bill also repeals the state elections campaign fund, which provides public financing of election campaigns for governor-lieutenant governor, attorney general, secretary of state, state auditor, and state legislative races. These amounts are allocated among the general account and the party accounts for those races based on \$5 (\$10 for married joint filers) check-offs made on individual income tax returns and property tax refund claims. The amount checked-off directs general fund revenues to the state elections campaign fund, and does not reduce the filer's refund or increase the tax owed.

- 1 Political contribution refund.** Strikes a reference to the PCR, which is repealed in section 4.
- 2 Political contribution refund; conforming changes.** Eliminates a reference to the PCR, which is repealed in section 4.
- 3 Political contribution refund; conforming changes.** Strikes a definition of the term "taxpayer" that is used in determining the PCR, which is repealed in section 4.
- 4 Repealer.** Repeals the following provisions:

Section	Description
10A.30	State elections campaign fund
10A.31	Authority for individual taxpayers to designate \$5 (\$10 for married joint filers) on the individual

	income tax return or property tax refund claim to the state election campaign fund and the allocation of these moneys among the political parties and different candidates (governor-lieutenant governor, attorney general, state auditor, secretary of state, and state legislative)
10A.315	Special election subsidy from the state elections campaign fund
10A.321	Requirement that estimates of and certification of minimum amounts of distributions from the state elections campaign fund be made by the commissioner of revenue and campaign finance board
10A.322, subd. 4	Refund receipts law for contributions under the PCR program
13.4967, subd. 2.	Data practices provisions relating to the PCR
290.06, subd. 23	Political contribution refund

**Effective date.** The repeals are effective for contributions made after June 30, 2011, which will prevent reinstatement of the PCR. However, it is unclear if this will affect the ability to make tax check-offs on tax returns and property tax refund claims filed after June 30, 2011, or if the repeal will apply to tax year 2011 (returns filed starting in calendar year 2012) and property tax refund claims based on rent paid in 2011 and property taxes payable in 2012 (claims filed starting in calendar year 2012).