

# **BILL COMPARISON SUMMARY of**

## **House File 3167, Third Engrossment/ House File 3167, Second Unofficial Engrossment**

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### Table of Contents

	Page
Article 1: Property Tax Aids, Credits, and Refunds .....	1
Article 2: Property Taxes .....	4
Article 3: Sales, Use, and Excise Taxes .....	10
Article 4: Income and Estate Taxes .....	18
Article 5: Minerals .....	24
Article 6: Local Development .....	25
Article 7: Miscellaneous .....	29
Article 8: Unsession .....	32
Article 9: DOR Technical and Policy Property Tax Provisions .....	44
Article 10: DOR Technical and Policy Income, Sales, Misc.....	46

Sec.	Article 1: Property Tax Aids, Credits, and Refunds	
1	<p><b>Volunteer first responder aid pilot.</b> Provides for a three-year pilot program to pay \$500 stipends to volunteer firefighters, volunteer ambulance attendants, and volunteer emergency medical responders who serve in a pilot area in the south-central part of the state (Blue Earth, Faribault, Freeborn, Martin, Steele, Waseca, and Watonwan counties), with the objective of improving volunteer recruitment and retention. The commissioner of revenue will pay aid to municipalities, emergency medical services providers, and nonprofit firefighting corporations that use volunteers in the pilot area, and the entities receiving the aid then pay \$500 stipends to individuals who volunteered for all of the previous calendar year. The pilot provides for the aid to be paid in 2015, 2016, and 2017 for volunteer service provided in 2014, 2015, and 2016. Requires the state fire marshal to report to the legislature in 2018, and provide data on the amount of aid paid and number of volunteers in each year of the pilot, and as a comparison also the number of volunteers serving in counties immediately adjacent to the pilot area. Provides an open appropriation for aid in fiscal years 2016 through 2018.</p>	<p><b>Article 3, sec. 14.</b> Different. Senate provides a \$450 income tax credit for volunteer first responders statewide.</p>
2	<p><b>Agricultural homestead market value credit.</b> Increases the rate of the agricultural homestead market value credit so that it reaches a maximum of \$490 at a market value of \$260,000 and over. Under current law, it reaches a maximum of \$345 at \$115,000 of value, but then decreases to \$230 at a value of \$345,000 and over. Effective beginning with taxes payable in 2015.</p>	<p>No comparable provision.</p>
3	<p><b>Disparity reduction credit.</b> Increases the credit by providing that the credit will be the amount necessary to reduce the effective tax rate on commercial-industrial and apartment properties in the four border cities (Moorhead, Dilworth, East Grand Forks, and Breckenridge) to 1.7 percent, versus the current 1.9 percent.</p>	<p>No comparable provision.</p>
4	<p><b>Supplemental firefighter retirement state aid.</b> Includes all independent nonprofit firefighting corporations, regardless of pension fund used, in the definition of “municipality” for purposes of paying supplemental firefighter retirement state aid. These groups were inadvertently omitted when this new aid program was established in 2013. Also makes a correction to a percentage used in allocating the aid to the various pension funds so the total equals 100%.</p>	<p>No comparable provision.</p>
5	<p><b>City formula aid.</b> Corrects a drafting error in calculating formula aid in Minnesota Statutes, section 477A.013, subdivision 8, which impacts the LGA losses to cities that currently get more aid than their “unmet need” under the formula. Without the fix, a city that should have its LGA gradually decreased to its “unmet need” amount will see its aid decrease faster if the LGA appropriation is increased. Effective beginning with aids payable in 2015.</p>	<p><b>Article 1, sec. 17.</b> Same</p>
6	<p><b>Cities.</b> Increases the city LGA appropriation annually, beginning in CY 2015, by the growth rate</p>	<p>No comparable provision.</p>

Sec.	Article 1: Property Tax Aids, Credits, and Refunds	
	in inflation and city population as provided in section 7. This replaces the appropriations in current law which are \$507.6 million in CY 2014, \$509.1 million in CY 2015, and \$511.6 million in CY 2016 and thereafter. Effective beginning with aids payable in 2015.	
7	<b>Inflation adjustment.</b> Provides for an annual adjustment to the city LGA appropriation in section 6, beginning with CY 2015 aids. The annual increase is based on the growth in the implicit price deflator (IPD) for state and local government purchases, and the growth rate in city population. The adjustment may not exceed 5 percent growth in any year. Effective beginning with aids payable in CY 2015.	No comparable provision.
8	<b>Production property transition aid.</b> Provides for the payment of transition aid to cities and towns that lose 5% or more of their net tax capacity due to the change in the definition of “real property” in Article 2, section 7. For aid beginning in 2016, qualifying cities and towns will receive full compensation for the decrease in tax base. The transition aid then phases out over the next four years, with aid payments stepped down by 20% each year. No aids are payable in 2021 and thereafter.	No comparable provision.
9	<b>Supplemental county program aid for 2014.</b> Authorizes supplemental county program aid (CPA) payments for 2014 only for any county whose 2014 CPA was less than it received in 2013. The amount of supplemental aid is equal to the drop in aid between 2013 and 2014.	No comparable provision.
10	<p><b>Supplemental agricultural credit for taxes payable in 2014.</b></p> <p><b>Subd. 1. Certification of supplemental credit amount.</b> Provides that each agricultural homestead receiving an agricultural market value credit for taxes payable in 2014 is eligible for a supplemental credit of \$230, provided the credit does not exceed the net taxes on the property. Requires each county to provide the commissioner of revenue with the necessary information by August 15, 2014. Provides that the supplemental credit will not be paid to any homestead having delinquent taxes.</p> <p><b>Subd. 2. Payment of supplemental credit.</b> Requires the commissioner of revenue to pay the supplemental credit amount directly to each qualifying property owner by October 15, 2014.</p> <p><b>Subd. 3. Property tax statements for taxes payable in 2015.</b> Provides that the proposed and final property tax statements for taxes payable in 2015 must provide a notation that a supplemental credit was paid in 2014.</p> <p><b>Subd. 4. Costs of administration.</b> Appropriates the amount necessary to the commissioner of revenue to make the supplemental credit payments.</p>	No comparable provision.

Sec.	Article 1: Property Tax Aids, Credits, and Refunds	
11	<p><b>Homestead credit refund and renter property tax refund increase.</b> Directs the commissioner of revenue to increase all homestead credit refunds based on taxes payable in 2014 by three percent, and all renter property tax refunds based on rent paid in 2013 by five percent. These refunds are typically filed in calendar year 2014 and paid beginning in August 2014 for renters and in September 2014 for homeowners. Makes a general fund appropriation to pay for the increased refunds. Because the deadline for filing claims based on taxes payable in 2014 and rent paid in 2013 is August 15, 2015, some increases will be paid in fiscal year 2016, and the appropriation is for fiscal years 2015 and 2016.</p>	No comparable provision.
12	<p><b>LGA penalty forgiveness; Bluffton.</b> Provides penalty forgiveness to the city of Bluffton for late filing of financial reports with the state auditor for the last three years, provided that the state auditor certified that these reports have now been filed and the CY 2013 report, due June 30, 2014, are filed on time. The city lost one-half of its LGA payments (\$16,050.50 per year) in the years 2011-2013. \$20,000 of the penalty would be paid to the city with the July 2014 LGA payment and the remaining \$28,151.50 would be paid with the July 2015 LGA payment. Effective the day after final enactment.</p>	No comparable provision.
13	<p><b>Additional supplemental aid revision of omitted 2013 independent firefighting corporations.</b> For the supplemental aid paid in October 1, 2014 only, the nonprofit firefighting corporations that did not receive October 1, 2013 payments under this program will have the amounts they should have received calculated and paid first from the FY 2015 appropriation before the FY 2015 payments are calculated for all qualified firefighting groups. The catch-up payments will be made with the regular October 1, 2014 (FY 2015) distributions.</p>	No comparable provision.
14	<p><b>Repealer.</b> Repeals the annual debt service aid the city of Minneapolis was scheduled to begin receiving in CY 2016 to offset 40 percent of the levy for paying its library bonds. Effective the day after final enactment.</p>	No comparable provision.

Sec.	Article 2: Property Taxes	Article 1: Property Taxes
1	<p><b>Property tax relief grants for female owned and operated businesses.</b> Provides that certain female owned businesses may apply to the commissioner of DEED for grants to help pay their 2015 property taxes. The grants are made on a first come-first served basis and are limited to \$3.7 million in total. To qualify the business must be:</p> <ul style="list-style-type: none"> <li>• at least 51 percent female owned</li> <li>• managed and operated on a daily basis by females,</li> <li>• employ fewer than 25 employees, and</li> <li>• pay wages equal to or more than 175 percent of the poverty guideline for a family of four.</li> </ul> <p>Effective the day after final enactment.</p>	No comparable provision.
	No comparable provision.	<p><b>Section 1. Emergency medical service district levy authority.</b> Increases the levy authority for emergency medical service districts from \$400,000 to \$550,000 beginning with taxes payable in 2016. Under current law, the levy authority is limited to 0.048% of the taxable market value of the district or \$400,000, whichever is less.</p>
2	<p><b>Personal property used for pollution control.</b> Requires the commissioner of revenue to notify the county assessor and the city clerk when an application has been filed for a pollution control exemption by an electric generation facility, and when an order for exemption has been issued.</p>	<p><b>Section 2.</b> Similar. Senate also requires the superintendent of the school district be notified.</p>
3	<p><b>Solar energy-generating systems.</b> Amends the existing exemption of solar photovoltaic devices to instead exempt “solar energy-generating systems,” as defined in section 6. Also provides that the real property where the solar system is located will be valued in the same manner as if the solar energy-generating system was not present, and classified according to its most probable use if not improved with a solar system.</p>	No comparable provision.
	No comparable provision.	<p><b>Section 3. Electric generation facility; personal property.</b> Extends, by five years, the time frame that a facility in Beltrami County must commence construction in order to receive a personal property tax exemption.</p>
4	<p><b>Efficiency determination and certification.</b> Requires the commissioner of revenue to notify the county assessor and the city clerk when an application has been filed for a sliding scale valuation exclusion by an electric generation facility.</p>	<p><b>Section 4.</b> Similar. Senate also requires the superintendent of the school district be notified.</p>
5	<p><b>Sliding scale exclusion.</b> Requires the commissioner of revenue to notify the city clerk when a sliding scale valuation exclusion has been approved.</p>	<p><b>Section 5.</b> Similar. Senate also requires the county assessor and superintendent of the school district be notified.</p>
6	<p><b>Solar energy production tax.</b></p> <p><b>Subd. 1. Production tax.</b> Imposes a tax on</p>	No comparable provision.

Sec.	Article 2: Property Taxes	Article 1: Property Taxes
	<p>electricity production from a solar energy system.</p> <p><b>Subd. 2. Definitions.</b> Defines “solar energy-generating system” to mean a set of devices used to produce electricity by means of collecting, transferring, or converting solar-generated energy. Provides that the size of a solar energy-generating system for purposes of this section must be determined by adding the nameplate capacities of all systems constructed within the same 12-month period with characteristics of being a single development including but not limited to the same or similar ownership structure, shared interconnection, common financing, etc.</p> <p><b>Subd. 3. Rate of tax.</b> Exempts solar energy systems with capacity of one megawatt alternating current or less; other systems are taxed at a rate of \$1.20 per megawatt-hour produced.</p> <p><b>Subd. 4. Reports.</b> Requires the owner of a solar energy system to report annually to the commissioner of revenue by January 15 the number of megawatt-hours produced by the system the previous year. In the absence of a report, the commissioner will base the tax on 30 percent of the system’s nameplate capacity.</p> <p><b>Subd. 5. Notification of tax.</b> Requires the commissioner of revenue to annually notify an owner of a solar energy system by February 28 of the amount of tax due to each county. Provides for corrections of erroneous calculations.</p> <p><b>Subd. 6. Payment of tax; collection.</b> Provides that the tax is to be paid at the same time and in the same manner as the property tax, and is subject to the same treatment if unpaid.</p> <p><b>Subd. 7. Distribution of revenues.</b> Provides that 80 percent of the tax will be distributed to counties, and 20 percent to cities and townships.</p>	
	No comparable provision.	<b>Section 6. Limitation.</b> Limits the sliding scale market value exclusion for electric generation facilities to those facilities that were eligible for taxes payable in 2014. Facilities not certified before March 31, 2013 are no longer able to qualify for the exclusion.
7	<b>Real property.</b> Provides that the exterior shell of a structure used in the production of biofuels, wine, beer, distilled beverages, and dairy products, is not included in the definition of real property, even if the shell has structural, insulation, or temperature control functions. The exterior shell of the structure, however, is real property if it is used primarily for storage of ingredients or materials used in the production of biofuels, wine, beer, distilled beverages, and dairy products, or the storage of those finished products. Effective beginning with taxes payable in 2016.	<b>Section 7.</b> Same
8	<b>Homestead of disabled veteran or family</b>	No comparable provision.

Sec.	Article 2: Property Taxes	Article 1: Property Taxes
	<b>caregiver.</b> Extends the time period for the surviving spouse of a totally disabled veteran to continue to receive the disabled veteran's property tax benefit from five years to eight years. Provides the same extension for surviving spouses of military personnel who are killed in action.	
9	<b>Commercial-industrial tax capacity.</b> Excludes the first tier of commercial-industrial (C/I) property value (up to \$150,000) from the state general levy, thereby shifting the tax to upper-tier C/I property.	No comparable provision.
10	<b>Proposed levy.</b> Extends the deadline for counties and cities to certify their proposed levies from Sept. 15 to Sept. 30. Retains the existing deadlines of Sept. 15 for towns and special taxing districts, and Sept. 30 for school districts.	<b>Section 8.</b> Same.
	<b>Art. 7, section 3.</b> Same.	<b>Section 9. Interest rate on unpaid property taxes; composite judgments.</b> Provides that the interest rate on unpaid taxes in a composite confession of judgment is limited to the rate provided in section 10 for judgments on parcels that consist in part of homesteaded property.
	<b>Art. 7, section 4.</b> Similar. House does not include language providing that the determination of the commissioner under this subdivision shall not be considered a rule and shall not be subject to the Administrative Procedure Act.	<b>Section 10. Interest rate on unpaid property taxes.</b> Provides a lower interest rate for homesteaded property (both regular and disabled) on which the taxpayer/property owner has agreed to an installment payment agreement (commonly referred to as "confession of judgment"). Sets the rate for these payments as the greater of 5 percent or 2 percentage points over the prime rate charged by banks to their most creditworthy borrowers.  The commissioner of revenue will annually determine the prime rate based on Federal Reserve data. The rate when the installment payment agreement is entered will be fixed (regardless of fluctuations in the prime rate over the term of the installment payment agreement) for the duration of the confession of judgment
	<b>Article 7, sec. 6.</b> Same	<b>Section 11. Authority to levy property taxes and incur debt (Anoka County).</b> Expands Anoka County's current authority to levy property taxes to pay for bonds to fund countywide public safety improvements and equipment to also allow them to fund pay-as-you-go improvements and equipment.
	<b>Article 7, sec. 7.</b> Similar. House repeals the exemption for the debt issued under section 6 from the net debt limits.	<b>Section 12. Treatment of levy (Anoka County).</b> Allows the levy for both bond repayment and pay-as-you-go projects under section 11 to be a separate line item on the proposed property tax notice and the property tax statement.
	No comparable provision.	<b>Section 13. Special service districts.</b> Provides that a property that is wholly or partially classified as class 3 and located in a special service district is subject to the charges imposed by the city on the special service district. If a property is subject to the service charge, then all portions of the property, including those portions not classified as class 3,

Sec.	Article 2: Property Taxes	Article 1: Property Taxes
		may be subject to the charge. Current law requires that 50 percent or more of the property be class 3.
	No comparable provision.	<b>Section 14. Definitions; county program aid.</b> Defines ‘watercraft trailer launch’ and ‘watercraft trailer parking space.’
	No comparable provision.	<b>Section 15. County program need aid; aquatic invasive species (AIS) prevention.</b> Allocates the county need aid appropriation for aquatic invasive species prevention at 50% based on each county’s share of watercraft trailer launches and 50% based on each county’s share of watercraft trailer parking spaces.
	No comparable provision.	<b>Section 16. Use of proceeds; aquatic invasive species prevention aid.</b> Requires that counties that receive a distribution under the new AIS need aid must use the proceeds solely to prevent the introduction of or limit the spread of aquatic invasive species. The county may appropriate the proceeds directly or use any portion to provide funding for a joint powers board or cooperative agreement with another political subdivision.
	<b>Article 1, sec. 5.</b> Same.	<b>Section 17. City formula aid.</b> Corrects a drafting error in calculating formula aid in Minnesota Statutes, section 477A.013, subdivision 8, which impacts the LGA losses to cities that currently get more aid than their “unmet need” under the formula. Without the fix, a city that should have its LGA gradually decreased to its “unmet need” amount will see its aid decrease faster if the LGA appropriation is increased.
	No comparable provision.	<b>Section 18. County program aid; aquatic invasive species prevention aid appropriation.</b> Sets the appropriation for county program AIS need aid at \$10,000,000 for aids payable in 2015 and thereafter. The first installment payment for aids payable in 2015 will be on March 15, 2015 and the second payment will be on July 20, 2015.
	<b>Article 9, sec. 12.</b> Similar. House only includes language relating to correction of payment for wildlife management land.	<b>Section 19. PILT; types of land; payments.</b> Corrects payments for wildlife management land to use the same formula as other payments in lieu of tax for other land. Provides that payment for local assessments shall be divided and distributed to counties in proportion to each county’s percentage of the total annual ditch assessments.
	No comparable provision.	<b>Section 20. PILT; procedure.</b> Requires each county containing state-owned land within a conservation area to determine and certify to the commissioner of natural resources by May 31 of the payment year the county’s ditch assessment for state-owned land. The commissioner of natural resources shall certify the assessment to the commissioner of revenue by June 15 who will then determine the distributions by June 30.
	<b>Article 9, sec. 13.</b> Same.	<b>Section 21. PILT; types of land; payments.</b> Corrects a drafting error relating to PILT payment distributions to townships. The fix will ensure that each township will receive 10 percent of the PILT payment associated with tax-exempt natural resource land in the township rather than 10 percent of the total PILT payment made to the county.
	<b>H.F. 2434.</b> Same.	<b>Section 22. Board plan and program.</b> Increases, from 325 to 364, the maximum number of connections the Cedar Lake area water and sanitary



Sec.	Article 2: Property Taxes	Article 1: Property Taxes
		sewer district's comprehensive plan may provide.
	No comparable provision.	<b>Section 23. City of Jackson; limitation on abatement.</b> Increases the abatement authority for the city of Jackson for taxes payable in 2015 through 2019 to the greater of ten percent of the city's net tax capacity for the taxes payable year to which the abatement applies or \$240,000. Current law caps the amount at \$200,000.
	No comparable provision.	<b>Section 24. Fund transfers; IRRRB.</b> Requires the Iron Range Resource and Rehabilitation Board to transfer: (1) \$60,000 to the commissioner of management and budget for deposit into the general fund on July 1, 2014 - for purposes of the Iron Range fiscal disparities study; and (2) \$30,000 to the commissioner of management and budget for deposit into the general fund on July 1, 2016 – for purposes of bill balancing for floor amendment.
	<b>HF 2434.</b> Same.	<b>Section 25. Helena Township; Scott County; subordinate service district.</b> Applies to the special service district established in Helena Township for the Silver Maple Bay Estates. Permits the town board of supervisors to sell or use surplus property or the surplus of tax revenues or service charges collected from the district to connect property owners in the former district to another public sewer system. Any surplus not used to connect residents may be distributed equally to property owners in the former district that were charged the extra tax or service fee during the most recent tax year. Any surplus not refunded must be transferred to the town's general fund.
	No comparable provision.	<b>Section 26. Iron Range fiscal disparities study.</b> Requires the commissioner of revenue to study the Iron Range fiscal disparities program and analyze the ability to use a municipality's contribution based on the current year rather than the previous year, and recommend changes to decrease the volatility of the program's distribution. A report is due by January 15, 2015.
	<b>HF 2840.</b> Same  Bill was passed by House on April 8, 2014.	<b>Section 27. District One hospital.</b> Authorizes the District One hospital located in Fairbault to sell the personal and real property of the district to a private hospital. When the district board determines that all sale requirements have been met and there exists sufficient funds to pay off all outstanding bonds, each city or town in the district must file a petition for dissolution with the board.
	No comparable provision.	<b>Section 28. Special service districts; transition provision.</b> Provides that if an owner of property within the boundaries of a district in existence on June 1, 2014 becomes liable for charges due to the changes made in Section 13, the owner may file a written objection with city clerk by August 1, 2014. The city must make a determination within 30 days.
	No comparable provision.	<b>Section 29. Working group; recommendations.</b> Requires the commissioner of revenue to convene a temporary working group to develop recommendations on methods, other than the general fund, for compensating local units of government for lost property tax revenue due to acquisitions of land funded by the outdoor heritage

Sec.	Article 2: Property Taxes	Article 1: Property Taxes
		fund. A report is due by January 15, 2015.
	No comparable provision.	<b>Section 30. AIS; 2014 supplemental payment.</b> Provides \$5,000,000 in supplemental county program AIS prevention aid for aids payable in 2014 only. The same amount is appropriated from the general fund to make these payments.
	No comparable provision.	<b>Section 31. Appropriation.</b> Appropriates \$60,000 in fiscal year 2015 from the general fund to the commissioner of revenue to pay for the Iron Range fiscal disparities study. This is a onetime appropriation. Section 24 required the IRRRB to transfer \$60,000 to MMB for deposit into the general fund.
	No comparable provision.	<b>Section 32. Study of North Dakota oil production; impact on Minnesota.</b> Appropriates \$250,000 in fiscal year 2015 from the general fund to the commissioner of revenue to finance a study and analysis of the effects of current and projected oil production in North Dakota on the Minnesota economy, with special focus on the northwestern region of the state and area border cities.
	No comparable provision.	<b>Section 33. Study of energy producing systems.</b> Appropriates \$150,000 in fiscal year 2015 from the general fund to the commissioner of revenue to finance a study and analysis of the property taxation of energy producing systems in Minnesota, including both traditional and renewable energy sources. The study must address the various methods of property taxation, the availability of exclusions, exemptions or payment-in-lieu arrangements, and recommendations on the taxation of solar energy producing systems. A report is due on February 1, 2015.
	<b>HF 2840.</b> Same Bill was passed by House on April 8, 2014.	<b>Section 34. Repealer.</b> Repeals enabling legislation related to the District One hospital district that was repealed in Section 27.

Sec.	Article 3: Sales, Use, and Excise Taxes	Article 2: Sales, Use and Excise Taxes
1	<p><b>Qualified business; Greater Minnesota business expansions.</b> Changes the definition of businesses that can qualify for the sales tax exemption for Greater Minnesota business expansions to exclude a number of nonmanufacturing businesses including legal, accounting, and consulting services, and leisure, lodging, and health care businesses. Retail businesses and public utilities are already excluded. Effective the day after final enactment.</p>	<p><b>Sec. 1.</b> Same.</p>
2	<p><b>Certification of qualified businesses; Greater Minnesota business expansions.</b> Simplifies the employment expansion requirements for qualifying for the sales tax exemption for Greater Minnesota business expansions to the greater of: (1) two employees; or (2) 10 percent of the business's current number of employees. Limits the agreement to a 7 year period rather than a 12 year period. Allows the commissioner of employment and economic development (DEED) 90 days rather than 60 days to act on an application for this program. Effective the day after final enactment.</p>	<p><b>Sec. 2.</b> Same.</p>
3	<p><b>Available tax incentives; Greater Minnesota business expansions.</b> Limits the sales tax exemption for any Greater Minnesota qualified business to \$2 million annually and a total of \$10 million. Allows the commissioner of DEED to negotiate the exemption for each business as part of the business subsidy agreement. Currently there is no limit to the amount of sales tax exemption going to any one business. Effective the day after final enactment.</p>	<p><b>Sec. 3.</b> Same.</p>
4	<p><b>Transfer on death of title to motor vehicle.</b> Provides for designating a recipient of a motor vehicle title upon death of the owners listed on the title. Specifies the method for identifying who the title recipient would be upon death; allows the owner to change the transfer of death recipient at any time by applying for a new title; establishes that the vehicle is included in probate estate only if no title transfer-on-death designation is made. Establishes that the rights of vehicle lienholders, or other creditors of the deceased vehicle owner, are retained following title transfer on death.</p>	<p><b>Art. 6, sec. 2.</b> Similar. Specifies that the rights of secured parties include claims or liens by: the Department of Human Services programs for persons with disabilities; the state medical assistance program; the state general assistance program; county relief programs; and the Department of Revenue for taxes, interest, and penalties.</p> <p>Specifies that this section does not limit the rights of any secured party or creditor if the other assets of the deceased person's estate are insufficient to pay the amount of the claim. Specifies that secured parties or creditors include: the Department of Human Services programs for persons with disabilities; the state medical assistance program; the state general assistance program; county relief programs; and the Department of Revenue for taxes, interest, and penalties.</p>
5	<p><b>Sales and use tax (June accelerated.)</b> Increases the annual tax liability threshold for vendors required to remit June sales tax collections on an accelerated basis from \$120,000 to \$250,000. Decreases the percentage of June sales tax liability that must be paid on an accelerated basis from 90 percent to 81.4 percent. Effective beginning with June 2014 sales taxes.</p>	<p><b>Sec. 4.</b> Same.</p>
6	<p><b>Accelerated payment of June sales tax liability; penalty for underpayment.</b> Decreases the percentage of June sales tax liability that must be</p>	<p><b>Sec. 5.</b> Same.</p>

Sec.	Article 3: Sales, Use, and Excise Taxes	Article 2: Sales, Use and Excise Taxes
	paid on an accelerated basis from 90 percent to 81.4 percent for purposes of the penalty provision. Effective beginning with June 2014 sales taxes.	
7	<b>Instructional materials.</b> Clarifies that digital audio and audiovisual works required for a postsecondary course of study are included in the instructional materials exemption. Effective the day following final enactment.	<b>Sec. 6.</b> Same.
	No comparable provision.	<b>Sec. 7. Bullion coin.</b> Provides a sales tax exemption for bullion coin, which is defined as any coin containing more than one percent by weight of silver, gold, platinum, or other precious metal. Effective for sales and purchases made after June 30, 2014.
8	<p><b>Presentations accessed as digital audio and audiovisual works.</b> Provides a sales tax exemption for certain live and prerecorded presentations, classes, and seminars, that meet both of the following criteria:</p> <ul style="list-style-type: none"> <li>• the presentation allows the online participants to interact with the presenter and each other during the time the participants access the presentation, although the presenter may limit the amount and timing of the interaction (i.e. at the end); and</li> <li>• if participants have the option of attending the presentation in person, the persons at the presentation and online participants are subject to the same interaction rules and admission to the presentation is not subject to sales tax under this chapter.</li> </ul> <p>Effective for sales and purchases made after June 30, 2014.</p>	<b>Sec. 8.</b> Same.
9	<p><b>Coin operated entertainment and amusement devices.</b> Exempts from sales tax the sale of coin-operated devices whose main purpose is to provide amusement and entertainment. Exempt devices would include juke boxes, pinball and video games, foosball and pool tables, photo booths, batting cages, and machines used in carnival games and rides.</p> <p>Machines and equipment that would remain taxable include vending machines; food and beverage machines such as soda and frozen drink dispensers, soft serve ice cream machines, rotating hot dog warmers, gum ball machines, and popcorn machines; medical devices such as blood pressure monitors; and non-coin operated amusement machines such as karaoke machines, regular ping pong tables, pool tables, and similar items. Effective for sales and purchases after June 30, 2014.</p>	<b>Sec. 9.</b> Same.
10	<b>Qualified data centers.</b> Makes clarifying changes to the existing sales tax exemption for refurbished data centers by (1) moving a clause to paragraph (b) that was erroneously added to paragraph (c) in the 2013 tax bill; and (2) adding the term “qualified refurbished data centers” to several existing	<b>Sec. 10.</b> Similar. The clarifying changes to: (1) move a clause to paragraph (b) that was erroneously added to paragraph (c) in the 2013 tax bill; and (2) add the term “qualified refurbished data centers” to several existing references to a “qualified data

Sec.	Article 3: Sales, Use, and Excise Taxes	Article 2: Sales, Use and Excise Taxes
	<p>references to a “qualified data center”. Effective retroactively to sales and purchases made after June 30, 2013.</p>	<p>center” are the same.</p> <p>Senate provision also clarifies that the exemption added in 2013 for computer software maintenance agreements applies for purchases made after June 30, 2013. Clarifies that computer software maintenance agreements purchased before July 1, 2013, do not count toward the investment threshold for a qualified data center. Strikes an internal effective date for the exemption.</p> <p>Requires DEED to certify to the commissioner of revenue when a data center or refurbished data center has met the requirements to qualify for the sales tax exemption. The certification must include total square footage, investment amount, and the time period in which the qualifying investments were made. Provides that refunds will not be issued until the commissioner of revenue has received the certification. Also requires DEED to annually notify the commissioner of revenue of the data centers and refurbished data centers that are projected to become qualified in each of the next four years. Effective the day following final enactment.</p>
11	<p><b>Greater Minnesota business expansions.</b> Requires that the sales tax exemption for Greater Minnesota business expansions only applies to purchases to be used at the facility in Greater Minnesota identified in the business subsidy agreement and limits the total amount of refund to a business to the amount in the business subsidy agreement. Effective the day following final enactment.</p>	<p><b>Sec. 11.</b> Same.</p>
12	<p><b>Sales to government.</b> Modifies the sales tax exemption for local governments as follows:</p> <ul style="list-style-type: none"> <li>• Eliminates the illustrative list of government services whose inputs would remain taxable and replaces it with a definitive list. Goods and services purchased by exempt local governments for a publicly provided liquor store, gas or electric utility, golf course, marina, health and fitness center, campground, cafe, laundromat, solid waste hauling, solid waste recycling, or a landfill will remain taxable. Effective for sales and purchases made after June 30, 2014.</li> <li>• Extends the definition of tax exempt local governments, which currently includes counties, cities, and townships, to include purchases by housing and redevelopment authorities, port authorities, economic development authorities, and any joint powers board or organization where at least 50 percent of the joint powers members are exempt governmental entities. Effective for sales and purchases after June 30, 2015.</li> </ul>	<p><b>Sec. 12. Different.</b> Modifies the sales tax exemption for local governments as follows:</p> <ul style="list-style-type: none"> <li>• Modifies the list of goods and services generally provided by a private business to include solid waste management services, housing facility improvements and maintenance, fitness and special interest classes, recreational and athletic facilities, banquet and private party facilities, aquatic facilities, and cemeteries. Adds computing services, ball fields, any goods and service provided by local government only to local governments, and housing chore, or homemaking services provided to the poor, elderly, or disabled individuals to the list of “goods and services generally not provided by a private business.” Effective for sales and purchases made after December 31, 2014.</li> <li>• Expands the definition of “local governments” to include instrumentalities of cities, counties, and towns; special districts; joint powers boards; or organizations created under joint powers authority. Removes the reference to the Metropolitan Council, since the Metropolitan Council would qualify under the proposed change to the definition of "local governments." Effective for sales and purchases made after December 31, 2014.</li> </ul>

Sec.	Article 3: Sales, Use, and Excise Taxes	Article 2: Sales, Use and Excise Taxes
13	<p><b>Fundraising sales by or for nonprofit groups.</b> Raises the annual limit of non-taxable fundraising sales for youth and senior citizen groups from \$10,000 to \$20,000 annually. Provides that if a group's fundraising sales exceed the \$20,000 limit, the sales tax would only apply to the portion in excess of \$20,000. Beginning in CY 2016, the limit under this subdivision would be adjusted annually for changes in the consumer price index. The current limit of \$10,000 has been in place since 1985 and if it is exceeded all sales become taxable. Effective for sales made after June 30, 2014.</p>	<p><b>Sec. 13.</b> Similar. Senate provision is effective for sales and purchases made after December 31, 2014 and does not include the inflation adjustment requirement.</p>
14	<p><b>Fundraising events sponsored by nonprofit groups.</b> Provides a definition of fundraising days for purposes of the limit of 24 days that nonprofits are allowed to engage in fundraising events. The definition will exclude ongoing sales and stores and restaurants, ongoing sales over the Internet, and regularly scheduled classes or activities that are part of the nonprofit's normal course of business. Effective for sales made after June 30, 2014.</p>	<p><b>Sec. 14.</b> Similar. Senate provision contains the same language but is effective the day following final enactment.</p>
15	<p><b>Donated materials for a library expansion.</b> Provides an exemption for building materials purchased and donated by a private entity and used in building an addition to a city library. Effective for sales and purchases made after April 1, 2014 and before July 1, 2015.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p><b>Sec. 15. Nonprofit snowmobile clubs machinery and equipment.</b> Exempts grooming machines, attachments and other associated accessories, and repair parts from sales tax if purchased by a nonprofit snowmobile club and used primarily and directly for the grooming of state or grant-in-aid snowmobile trails. Effective for sales and purchases made after June 30, 2014.</p>
16	<p><b>Sale, sells, selling, purchase, purchased, or acquired.</b> Excludes transfer-on-death title transfers from being treated as a sale subject to the motor vehicle sales tax.</p>	<p><b>Article 6, section 5.</b> Same.</p>
17	<p><b>Exemptions (MVST).</b> Expands the existing motor vehicle sales tax exemption for road maintenance vehicles purchased by townships to purchases by counties, cities, and joint powers boards and organizations where at least 50 percent of the members are cities counties, or townships. The exemption applies to vehicles such as snow plows and dump trucks but not cars, vans, or pickup trucks. Effective for sales and purchases after June 30, 2015.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p><b>Sec. 16. Excise tax rates; cigarettes.</b> Removes the excise tax rate of 283 mills for cigarettes weighing more than three pounds per thousand. This change would also apply to little cigars, as they are taxed under the same rate structure as cigarettes. One rate would apply to all cigarettes (and little cigars) sold in the state. Effective July 1, 2014.</p>
18	<p><b>Accelerated tax payment, cigarette or tobacco distributors.</b> Increases the annual tax liability threshold for cigarette and tobacco distributors required to remit June tax collections on an accelerated basis from \$120,000 to \$250,000. Also decreases the percentage of June tax liability that</p>	<p><b>Sec. 17.</b> Same.</p>

Sec.	Article 3: Sales, Use, and Excise Taxes	Article 2: Sales, Use and Excise Taxes
	must be paid on an accelerated basis from 90 percent to 81.4 percent. Effective beginning with June 2014 tobacco taxes.	
19	<b>Microdistillery credit.</b> Creates a tax credit for a qualified distiller. A qualified distillery is one who produces premium, distilled spirits in a total quantity not to exceed 40,000 proof gallons in a calendar year. The credit would apply to the calendar year immediately preceding the year in which the credit is being claimed. The total allowable credit is equal to either the lesser of the qualified distiller's actual tax liability, or \$133,000.	No comparable provision.
20	<b>Accelerated tax payment, penalty (liquor taxes).</b> Increases the annual tax liability threshold for liquor distributors required to remit June tax collections on an accelerated basis from \$120,000 to \$250,000. Also decreases the percentage of June tax liability that must be paid on an accelerated basis from 90 percent to 81.4 percent. Effective beginning with June 2014 liquor taxes.	<b>Sec. 18.</b> Same.
	<b>Art. 7, Sec. 5.</b> Same.	<b>Sec. 19. Aircraft in lieu tax rate.</b> Clarifies the applicable base price amounts for the in lieu tax on aircraft using Minnesota airspace or airports to capture base prices at the threshold amounts. The base price brackets in current law could be interpreted to exclude base prices at the threshold amounts. Effective July 1, 2014, for aircraft tax due on or after that date.
21	<b>Food and beverage tax (Duluth).</b> Allows the Duluth city council to increase its food and beverage tax from the current rate of 1.75% percent to 2.25% with the additional revenue dedicated to fund up to \$18 million of capital projects related to tourism and recreation in the portion of the city west of 34 <sup>th</sup> Avenue West. The temporary increase ends when the additional revenue raised under this section and section 22 is sufficient to fund the allowed projects. Also eliminates obsolete language related to a 1998 temporary increase of the Duluth food and beverage tax from 1.75% to 2.25% to fund the Duluth Entertainment and Convention Center (DECC) and the Great Lakes Aquarium, which has expired. Effective upon the city filing approval with the secretary of state.	<b>Sec. 20.</b> Similar. Does not include a cross reference to use of revenue from a lodging tax increase.
22	<b>City of Duluth; tax on receipts by hotels and motels.</b> Allows the Duluth city council to increase its lodging tax from the current rate of 1.0% percent to 1.5% with the additional revenue dedicated to fund up to \$18 million of capital projects related to tourism and recreation in the portion of the city west of 34 <sup>th</sup> Avenue West. The temporary increase ends when the additional revenue raised under this section and section 21 is sufficient to fund the allowed projects. Also eliminates obsolete language related to a 1998 temporary increase of the lodging tax from 1.0% to 1.5% to fund the DECC and the Great Lakes Aquarium which has expired. Effective upon the city filing approval with the secretary of state.	No comparable provision.
23	<b>Termination of taxes (Albert Lea).</b> Changes the allowed time period for imposition of the local sales tax in Albert Lea from the lesser of 10 years or	<b>Sec. 21.</b> Same.

Sec.	Article 3: Sales, Use, and Excise Taxes	Article 2: Sales, Use and Excise Taxes
	when \$15 million is raised, to the lesser of 15 years or when the \$15 million is raised. Effective upon the city filing approval with the secretary of state.	
24	<b>Use of revenues (Baxter).</b> Allows the city of Baxter, with approval of the voters, as provided in section 26, to extend its local sales tax to fund up to an additional \$32 million in sanitary sewer and storm sewer projects, as well as transportation safety improvements.	No comparable provision.
25	<b>Bonds (Baxter).</b> Allows the city of Baxter to issue up to \$32 million in bonds for the new projects authorized in section 24, based on the vote on the tax extension in section 26.	No comparable provision.
26	<b>Termination of taxes (Baxter)</b> Allows the city of Baxter to extend its local sales taxes if approved by the voters at the 2014 general election. If approved the tax would expire at the earlier of (1) December 31, 2031, or (2) when revenues are sufficient to pay for the authorized projects plus associated bond costs. Effective upon filing approval with the secretary of state.	No comparable provision.
27	<b>Use of revenues (Brainerd).</b> Allows the city of Brainerd, with approval of the voters, as provided in section 29, to extend its local sales tax to fund up to an additional \$15 million for improvements in the joint waste treatment facility, other water infrastructure, and trail improvements.	No comparable provision.
28	<b>Bonds. (Brainerd).</b> Clarifies that the existing bond authority only applies to the original projects authorized in 2006.	No comparable provision.
29	<b>Termination of taxes (Brainerd).</b> Allows the city of Brainerd to extend its local sales taxes if approved by the voters at the 2014 general election. If approved the tax would expire at the earlier of (1) when an additional \$15 million is raised, or (2) twelve years after the original termination date for the tax. Effective upon filing approval with the secretary of state.	No comparable provision.
	No comparable provision.	<b>Sec. 22. Minnesota State High School League admissions ticket exemption.</b> Makes permanent the exemption for admission to games, events, and activities sponsored by the Minnesota State High School League (MSHSL), which is set to sunset in 2015. Effective the day following final enactment.
	No comparable provision.	<b>Sec. 23. Effective date modification for exemption for purchases covered by Medicare and Medicaid.</b> In the 2013 Omnibus Tax Bill, the sales tax exemption for drugs and medical devices was expanded to include items purchased in transactions covered by Medicare and Medicaid and the definition of “durable medical equipment” was expanded to include single patient use items. These changes were effective for sales and purchases made after June 30, 2013. This section modifies the effective date of that provision to be retroactive to April 1, 2009, and allows claims for refunds to be filed until June 30, 2015.
	No comparable provision.	<b>Sec. 24. Effective date modification for exemption for certain accessories and supplies.</b> In the 2013 Omnibus Tax Bill, the sales tax exemption for drugs and medical devices was expanded to include accessories and supplies



Sec.	Article 3: Sales, Use, and Excise Taxes	Article 2: Sales, Use and Excise Taxes
		required for effective use of durable medical equipment, effective for sales and purchases made after June 30, 2013. Similar to section 23, this section modifies the effective date of that provision to be retroactive to April 1, 2009, and allows claims for refunds to be filed until June 30, 2015.
	No comparable provision.	<b>Sec. 25. Effective date; qualified data centers and qualified refurbished data centers.</b> Clarifies the effective date for the 2013 changes to the qualified data center sales tax exemption. Provides that the exemption applies to qualifying purchases made after June 30, 2012, except for computer software maintenance agreements (only these purchases made after June 30, 2013 would count toward the qualification threshold and be eligible for a sales tax exemption). If a data center qualified under the criteria as provided in the original exemption (enacted in 2011 and effective beginning July 1, 2012), then the 2013 changes, other than for computer software maintenance agreements, would continue to be effective for sales and purchases made after June 30, 2012. Effective the day following final enactment.
30	<b>Effective date.</b> Clarifies that the sales tax refund on construction materials and capital equipment for construction or expansion of a large pharmaceutical manufacturing facility may not be applied for before June 30, 2015. It is doubtful that minimum investment and job development requirements can be met before June 30, 2015.	<b>Sec. 26.</b> Same.
	No comparable provision.	<b>Sec. 27. Proctor food and beverage sales and use tax.</b> Authorizes the city of Proctor to impose a sales tax of up to one percent on food and beverages sold in restaurants and places of refreshment, including retail on-sale liquor and fermented malt beverages, located in the city. Provides that the proceeds of the taxes must be used to fund construction and improvement of walking and bicycle trails; a civic center and parking improvements; and redevelopment and realignment of a road through the fairgrounds. Proceeds may also be used to pay debt service on bonds or other obligations issued to finance the projects. Authorizes the city to enter into an agreement with the commissioner of revenue to administer, collect, and enforce the food and beverage and entertainment taxes. Effective upon the city filing approval with the secretary of state.
31	<b>Validation of prior act; authorization (Albert Lea).</b> Allows the city to file its approval of its original 2005 and 2006 sales tax laws and retroactively validates the enactment of that tax by June 15, 2014. Normally a special law must be approved in the biennium in which it is enacted or it does not take effect. Effective the day after final enactment.	<b>Sec. 28.</b> Same.
32	<b>Temporary sales tax amnesty, animal shelters.</b> Provides an amnesty regarding back sales taxes to nonprofit animal shelters that currently are not registered to collect and remit the sales and use tax, provided that they register and begin collecting the tax within 4 months of passage of this act. It also	No comparable provision.

Sec.	Article 3: Sales, Use, and Excise Taxes	Article 2: Sales, Use and Excise Taxes
	provides a similar amnesty for nonprofit animal shelters that are being audited if the audit is not finally resolved, provided that the shelter was not registered to collect and remit the tax at the time of the audit. The amnesty does not apply to taxes already collected by the seller, or remitted to the state. Effective the day after final enactment.	
33	<b>Temporary sales tax amnesty, agricultural centers.</b> Provides a temporary sales tax amnesty for sales taxes owed on admissions to a performance or event of a nonprofit organization with a focus on preserving Minnesota's rural heritage and educating the public on rural history and the impact of Minnesota farming. The exemption only covers admissions to performances and events consistent with the organization's mission. The amnesty covers the period from December 31, 2008 to December 31, 2011, and covers audits that are not finally resolved, including penalties and interest.	No comparable provision.
	No comparable provision.	<b>Sec. 29. Sales tax exemption; instrumentalities of the states.</b> Authorizes a temporary sales tax exemption for prepared food, candy, beverages, and alcoholic beverages purchased by an organization that is an instrumentality of all the states and made in connection with holding an annual meeting in Minnesota. Effective for sales and purchases made between July 1, and December 31, 2014.

Sec.	Article 4: Income and Estate Taxes	Article 3: Income and Estate Taxes
1	<p><b>Qualified small business; angel investment credit.</b> Expands the definition of qualified small business for the angel investment credit. Under current law businesses must meet a variety of requirements for investments to qualify for the credit. One of the requirements is that the primary business activity is:</p> <ul style="list-style-type: none"> <li>▶ Using proprietary technology to add value to a product, process, or service in a qualified high-technology field</li> <li>▶ Researching or developing a proprietary product, process, or service in a qualified high-technology field, or</li> <li>▶ Researching, developing, or producing a new proprietary technology for use in the fields of agriculture, tourism, forestry, mining, manufacturing, or transportation.</li> </ul> <p>This section adds a fourth criterion, allowing businesses to qualify if they have as their primary business activity researching and developing a proprietary product, process, or service in the fields of agriculture, tourism, forestry, mining, manufacturing, or transportation.</p> <p>Effective beginning in tax year 2015.</p>	No comparable provision.
2	<p><b>Promotion of angel credit in greater Minnesota.</b> Requires the commissioner of DEED to develop a plan to promote usage of the angel credit in greater Minnesota and by women- and minority-owned businesses. Laws 2014, chapter 150, provided that \$7.5 million of the \$15 million provided for the angel credit in 2015 and 2016 be reserved through September 30<sup>th</sup> of the year for investments in greater Minnesota and women- and minority-owned businesses. The plan required in this section must have the goal of allocating the full amount of the reserved credit to investments in greater Minnesota and women- and minority-owned businesses. Requires the commissioner of DEED to include information on the plan and attainment of the goal in the annual report to the legislature.</p>	No comparable provision.
	No comparable provision.	<p><b>Sec. 1. Angel investment credit.</b> Removes unnecessary language pertaining to the administration of the credit. Effective the day following final enactment.</p>
	No comparable provision.	<p><b>Sec. 2. Greater Minnesota internship credit; definitions.</b> Modifies the definition of “eligible institution” to include graduate degree-granting colleges and universities. Modifies the definition of “eligible student” to include a student who has completed one-half of the credits necessary to obtain a graduate degree. Effective the day following final enactment.</p>
	No comparable provision.	<p><b>Sec. 3. Greater Minnesota internship credit; length of internship.</b> Decreases the minimum length of time for a qualifying internship from 12 weeks to eight weeks. Effective the day following final enactment.</p>

Sec.	Article 4: Income and Estate Taxes	Article 3: Income and Estate Taxes
	No comparable provision.	<b>Sec. 4. Greater Minnesota internship credit; reporting requirement.</b> Extends by one year the dates for the two reports due to the legislature. Effective the day following final enactment.
3	<b>Minnesota tax laws; gift tax reference.</b> Strikes a reference to the gift tax chapter, which was repealed in Laws 2014, Chapter 150, in the definition of "Minnesota tax laws" in the data practices chapter.	<b>Sec. 5.</b> Same.
4	<b>Data practices; gift tax reference.</b> Strikes language in the data practices chapter allowing donors to inspect gift tax returns, since the gift tax was repealed in Laws 2014, chapter 150.	<b>Sec. 6.</b> Same.
5	<b>Update of administrative tax provisions.</b> Adopts federal tax administrative changes made between December 20, 2013, and March 26, 2014. The federal law enacted in that time period does not change federal provisions referenced in chapter 289A. Effective retroactive to tax year 2013.	<b>Sec. 7.</b> Same.
	No comparable provision.	<b>Sec. 8. Factors in determining domicile.</b> Requires that the commissioner or a court shall not consider the location of an individual's attorneys, CPAs, or financial advisors when making a determination of the individual's abode for purposes of the definition of "resident." Effective the day following final enactment.
6	<b>Update to federal definition of taxable income.</b> Adopts all the federal changes to taxable income in the Philippines Charitable Giving Assistance Act, which allows taxpayers may elect to treat contributions for typhoon relief made after March 25, 2014, and before April 15, 2014, as though they were made on December 31, 2013. The effect is to allow individual and corporate calendar-year taxpayers to deduct typhoon relief contributions made from March 26 <sup>th</sup> through April 14 <sup>th</sup> on their 2013 federal income tax returns, rather than on their 2014 returns. This section would allow deductions made by Minnesota taxpayers to flow through to their 2013 state returns. Without this change, taxpayers deducting typhoon relief contributions on their 2013 federal returns would be required to add those contributions to Minnesota taxable income on their 2013 state returns and then deduct them from Minnesota taxable income on their 2014 state returns. Effective retroactive to tax year 2013.	<b>Sec. 9.</b> Same.
7	<p><b>Subtractions from taxable income; individuals.</b></p> <ul style="list-style-type: none"> <li>• <b>Discharge of indebtedness.</b> Provides a subtraction for income resulting from discharge of indebtedness on a principal residence. The subtraction applies to debt reduced as part of a mortgage restructuring as well as debt forgiven in connection with a foreclosure. This income has been excluded from income at the federal and state level for tax years 2007 through 2013; the subtraction in this section has the effect of extending the exclusion at the state level to tax year 2014. Effective for tax year 2014 only.</li> <li>• <b>Military pay.</b> Extends the existing military pay subtraction to National Guard members in Active Guard/Reserve status and individuals in</li> </ul>	<p><b>Sec. 10.</b> Similar.</p> <p>Same.</p> <p>No comparable provision.</p>

Sec.	Article 4: Income and Estate Taxes	Article 3: Income and Estate Taxes
	<p>active status under the state adjutant general. Effective for tax year 2014 and following years.</p> <p>No comparable provision.</p>	<ul style="list-style-type: none"> <li>• <b>Qualified transit and vanpool expenses.</b> Provides a subtraction from income for the value of employee transit passes and van pooling transportation expenses at the same level as the federal exclusion for qualified parking expenses. This subtraction effectively extends the "transit parity rule" by providing a new subtraction for Minnesota taxable income for the amount of transit and vanpool expenses allowed under federal law but expiring after tax year 2013. The amount would be calculated the same way as previously done under federal law, including indexing for inflation (clause 21). Effective beginning in tax year 2014.</li> </ul>
8	<p><b>Internal Revenue Code.</b> Adopts federal changes to federal adjusted gross income (FAGI) made between December 20, 2013 and March 26, 2014. AGI is used for computing individual alternative minimum tax and determining withholding, and is the starting point for calculating household income, which is used to compute the dependent care and K-12 education credit. The change to federal adjusted gross income is described in section 6. Effective retroactive to tax year 2013.</p>	<p><b>Sec. 11.</b> Same.</p>
9	<p><b>Research credit; sole proprietors.</b> Extends the research credit to businesses operating as sole proprietorships. Under the current law the credit is allowed only for businesses operating as C corporations or as pass-through entities (S corporations, partnerships, LLCs, and the like). Effective beginning in tax year 2014.</p>	<p>No comparable provision.</p>
10	<p><b>Research credit carryover.</b> Restricts the maximum limitation on the research credit as the taxpayer's tax liability to tax years 2013 through 2015. Section 11 makes the credit refundable, starting with tax year 2016.</p>	<p>No comparable provision.</p>
11	<p><b>Research credit refundable.</b> Provides that the research credit is refundable starting with tax year 2016.</p>	<p>No comparable provision.</p>
12	<p><b>Student loan credit.</b> Provides a refundable credit for first-generation college students of up to \$500 per year to offset interest and principal paid on subsidized Stafford or Perkins student loans. The credit is limited to students who began their degree program in August 2010 or later. Effective beginning in tax year 2013, but credits for student loan payments made in tax years 2013 and 2014 are to be paid as part of tax year 2015 returns, in addition to any credit amount due for tax year 2015.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p><b>Sec. 12. Credit allowed; current military service.</b> Provides a \$200 per month credit for each month that an individual served in a combat zone or qualified hazardous duty area anytime on or after January 1, 2014. [Note: the \$200 per month credit described above is the intended provision, but an amendment is needed to specify that the current \$120 per month credit is applicable for service in a</p>

Sec.	Article 4: Income and Estate Taxes	Article 3: Income and Estate Taxes
		combat zone or qualified hazardous duty area after December 31, 2008 <i>and before January 1, 2014</i> , so that an individual may not claim both the \$120 and \$200 per month credit.] The pay received by the individual claiming the credit must have been excluded as combat pay from federal gross income for federal purposes and the claimant's home of record during military service must have been in Minnesota. Effective beginning in tax year 2014.
	No comparable provision.	<b>Sec. 13. Credit allowed; past military service.</b> Increases the credit amount from \$750 to \$1,500 for individuals who separated from military service before the end of the year and served at least 20 years in the military, had a service-connected disability rating of 100 percent total and permanent (as rated by the U.S. Department of Veterans' Affairs), or were honorably discharged and receive a pension or other retirement pay for service in the military. Effective beginning in tax year 2014.
	<b>Art. 1, Sec. 1</b> provides a pilot program to pay \$500 stipends to volunteer first responders in the south central part of the state.	<b>Sec. 14. Volunteer first responder credit.</b> Provides a \$450 income tax credit for qualified volunteer firefighters, volunteer ambulance attendants, and volunteer emergency medical responders who have served in that capacity for more than one calendar year and for at least six months in the year for which the credit is claimed. Effective beginning in tax year 2014.
	No comparable provision.	<b>Sec. 15. Reciprocity.</b> Modifies the requirements for the commissioner to enter into an income tax reciprocity agreement with Wisconsin. Requires that the state with a net revenue loss must receive the amount of that loss by the other state. If an agreement is entered into before October 1, 2014, then the amount received by Minnesota must be at least the net revenue loss minus \$1,000,000. The \$1,000,000 amount must not be subtracted from the payment if an agreement is reached after September 30, 2014. Defines "net revenue loss." Effective the day following final enactment.
13	<b>Alternative minimum tax; individuals.</b> Provides a subtraction from alternative minimum taxable income for amounts deducted under the subtraction for discharge of indebtedness income provided in section 7.  No subtraction for qualified transit and vanpooling expenses.	<b>Sec. 16.</b> Similar. Provides a subtraction from alternative minimum taxable income for amounts deducted under the subtraction for discharge of indebtedness income provided in section 10.  Provides a subtraction from alternative minimum taxable income for amount deducted under the subtraction for qualified transit and vanpooling expenses.
14	<b>Update of references to Internal Revenue Code; property tax refund chapter.</b> Adopts the federal changes that affect household income, which uses the definition of federal adjusted gross income as a starting point. Effective retroactive to tax year 2013.	<b>Sec. 17.</b> Same.
15	<b>Estate tax definitions.</b> Defines a "qualified work of art" as a work of art, as provided by the federal estate tax that is owned by a non-resident and on loan to a Minnesota art museum or similar charity. These works of art are treated as not having a Minnesota situs. This ensures that a nonresident decedent's loan of a work of art to a Minnesota art museum will not trigger an obligation to file or pay	<b>Sec. 18.</b> Similar. Contains the same provisions as House Art. 4, sec. 15 on the definition of "qualified work of art" and update to the Internal Revenue Code reference. Effective retroactively for deaths after December 31, 2013.

Sec.	Article 4: Income and Estate Taxes	Article 3: Income and Estate Taxes
	<p>Minnesota estate tax. This section also updates the reference to the Internal Revenue Code in the estate tax through March 26, 2014. Effective retroactively for deaths after December 31, 2013.</p> <p>No comparable provision.</p>	<p>Also requires that the provisions in section 8 regarding allowed factors for determining domicile apply for purposes of estate tax. Effective the day following final enactment.</p>
16	<p><b>Effective date; Minnesota taxable estate.</b> Clarifies that the effective date of the new definition of the Minnesota taxable estate, enacted in Laws 2014, chapter 150, applies only to taxable gifts made after June 30, 2013. This limits the 3-year look back, which includes taxable gifts made within 3 years of the date of death in the estate, to gifts that were taxable under the repealed gift tax.</p>	<p><b>Sec. 19.</b> Same.</p>
17	<p><b>Definition of taxable gift.</b> Defines taxable gifts for purpose of the 3-year look back rule for estates of decedents who died between June 30, 2013 and January 1, 2014. This language codifies the definition in the repealed gift tax, including guidance issued by DOR.</p>	<p><b>Sec. 20.</b> Same.</p>
18	<p><b>Repealer.</b> Repeals the temporary definition, enacted in Chapter 150, under the dependent care credit that delays adopting the higher federal amounts under the federal credit (both credit rates and maximum amounts) until tax year 2014. This will increase the state dependent care credit amounts retroactively for tax year 2013.</p>	<p>No comparable provision.</p>
	<p>No comparable provision.</p>	<p><b>Sec. 21. Temporary education credits.</b> Allows a credit for taxpayers with a qualifying child who has an individualized education program (IEP). The credit amount is 75 percent of expenses paid for tutoring or other instruction paid to an instructor that is not compensated by insurance or other means to assist students in improving specified academic standards, up to \$2,000.</p> <p>Allows a credit for taxpayers with a child who has been evaluated for, but not found to have, a specific learning disability, and for whom the evaluation indicated a determination of deficiency in reading skills that impaired the child in meeting expected standards. The credit amount is 75 percent of expenses paid for tutoring, instruction, or treatment by an instructor not compensated by insurance or other means to assist students in improving reading skills, up to \$2,000.</p> <p>Credits must not be claimed for expenses used to claim the current law K-12 credit. Both credits are refundable and assignable in the same manner as the current law K-12 credit. The form and manner for claiming the credit is prescribed by the commissioner of revenue. Requires the commissioner of revenue to provide a report to the House and Senate tax committees indicating the number of taxpayers claiming the credits and the average amount of credits claimed, and on the administration of the credits, including recommendations for compliance. Both credits are</p>

Sec.	Article 4: Income and Estate Taxes	Article 3: Income and Estate Taxes
		effective for tax year 2014 only.



Sec.	Article 5: Minerals	Article 4: Minerals
1	<b>Rock County aggregate tax.</b> Permanently extends the authority for a county that borders two other states and that is not contiguous to a Minnesota county with an aggregate tax to impose the tax at 7 cents per ton or 10 cents per cubic yard. (The general law requires counties to impose aggregate tax, if they elect to use the authority, at a rate of 21.5 cents per cubic yard or 15 cents per ton.) Rock County is the only county using this statutory authority. The section is set to expire on December 31, 2014.	<b>Section 3.</b> Similar. Senate provides a five year extension to impose the tax at the lower rate.
	No comparable provision.	<b>Section 1. Net proceeds tax; distribution within taconite assistance area.</b> Modifies the shares allocated under present law to the cities/town, school districts and counties where the mines are located to also include the locations where the concentration plants are located. Provides for equitable apportionment if mining and concentration is carried on in more than one taxing district. Reduces share to DJJ fund and increases share to taconite environmental protection fund.
	No comparable provision.	<b>Section 2. Iron Range school consolidation and cooperatively operated school account.</b> Modifies the definition of ‘qualified school projects’ by changing the date upon which a school project must have been approved, by referendum, from December 7, 2009 to April 3, 2006. Allows for additional amounts provided by law to be allocated to the school account.
2	<b>Onetime 2008 production tax distribution; Aitkin.</b> Allows the city of Aitkin to use its 2008 special distribution of taconite production tax revenues for any economic development project. Current law designated the distribution for sewer and water improvements for a housing project, which was not constructed.	<b>Section 4.</b> Same.
3	<b>Onetime 2013 production tax distribution; Cook.</b> Modifies a distribution of taconite funds made in the 2013 omnibus tax act to allow all the distribution to the city of Cook be used for street improvements, business park infrastructure, and a maintenance garage. The 2013 legislation dedicated three-quarters of the distribution for those purposes and the other one-quarter for a water line project.	<b>Section 5.</b> Same.
	No comparable provision.	<b>Section 6. Reallocation of bond payments.</b> Reallocates the amount of payments currently appropriated to nine schools with expiring bonds to the Iron Range school consolidation and cooperatively operated school account beginning the year after the final payment is made.

Sec.	Article 6: Local Development	Article 5: Local Development
1	<b>Ramsey county HRA; housing improvement areas.</b> Authorizes the Ramsey County HRA to exercise housing improvement area (HIA) powers. The HRA would be allowed to do this by resolution, rather than ordinance, as is required for cities exercising those powers. The city in which the housing improvement area would be established may veto it by resolution. Effective the day following final enactment.	No comparable provision.
2	<b>Dakota CCDA; housing credit allocation.</b> Creates new eligibility for projects to use allocations of federal low income housing tax credits in the first round for Dakota CCDA. The tax credits are available for up to three projects for either new or rehabilitated multifamily housing, that is not restricted to those over 55, and is located in a commuter area located close to certain high frequency use transit stations, lines, and park and ride lots. Effective without local approval for the 2015 allocation of housing credits.	No comparable provision.
3	<b>Five-year rule.</b> Extends the special 5-year rule provision enacted in the 2010 Jobs Bill so that the extension runs through at least June 30, 2017, even if that period is longer than 10 years. The 2010 Jobs Bill extended the 5-year rule for affected districts (those certified between 6/30/2003 and 4/20/2009) to ten years. The section's change will affect districts certified before June 30, 2007.	<b>Section 1.</b> Similar. Extends the general law five-year rule for a redevelopment district certified after April 20, 2009 and before June 30, 2013 to eight years after certification of the district. Effective for districts for which the request for certification was made after April 20, 2009.
4	<b>Economic development districts; fiscal disparities option.</b> Allows cities to elect to make the fiscal disparities contribution for economic development districts in the same ways that are available for other types of districts. This will allow the city to elect to make the contribution out of the city's tax base. Under present law, the contribution must be made from the TIF district's increment.	No comparable provision
5	<b>Bloomington.</b> Modifies the 2013 special legislation for the city of Bloomington that authorized expenditure of one year of the fiscal disparities increment from the Mall of America for the renovation or replacement of the Old Cedar Avenue Bridge. It allows any of the funds not needed to fund the bridge renovation or replacement to be used to improve trails that access the bridge.	<b>Section 2.</b> Same.
	No comparable provision.	<b>Section 3. City of Baxter; TIF.</b> Allows the city to expand the boundaries of Isle Drive TIF district to include an additional parcel. The county auditor shall increase the original tax capacity of the district, however, the requirement that the original net tax capacity be increased by the net tax capacity of each improvement for which a building permit was issued during the 18 months preceding the request, does not apply. The district is subject to the TIF general law rules as if the request for certification of the entire district was made on December 30, 2011. Effective upon local approval.
6	<b>Eagan.</b> Allows the city of Eagan to elect to compute increment for the Cedar Grove redevelopment TIF district using the current tax rate, not the original tax rate in effect when the district was certified. This will increase increment	<b>Section 4.</b> Different. Extends the duration of the district by ten years, through December 31, 2039.

Sec.	Article 6: Local Development	Article 5: Local Development
	<p>revenues, since the original tax rate cannot be higher than the current rate.</p> <p>Allows the city to extend the 5-year rule for TIF District 2-5, a redevelopment district, to seven years. Effective upon local approval.</p>	<p><b>Section 1.</b> Similar. General law five-year rule change allows a three year extension of the five-year rule for this district. Effective upon approval by city, county and school district.</p>
7	<p><b>Edina.</b> Authorizes the city of Edina to create one or more housing districts in its Southeast Edina Redevelopment Project Area through June 30, 2017. These housing districts would have a 15-year duration (as compared with 25 years under general law) and would be allowed to satisfy a lower level of affordability (10 percent of the units, as opposed to 40 percent under general law). The city could use revenues from its Southdale 2 economic development district to assist these housing developments under the general law rules that allow additional pooling for affordable housing developments. Effective upon local approval.</p>	<p><b>Section 5.</b> Similar. Housing districts would have a 20 year duration and would be allowed to satisfy the lower level affordability at 20 percent of the units, as opposed to 40 percent under general law. Districts are also allowed to increase pooling by up to 15 percentage points. Effective upon local approval.</p>
8	<p><b>Shoreview.</b> Authorizes the city of Shoreview to establish economic development TIF districts for business retention and expansion. Increment from these districts may be used to assist qualified business, defined as businesses that:</p> <ul style="list-style-type: none"> <li>• Already are operating in Shoreview, that do not have any substantial operations in Minnesota, or that are relocating operations from another state</li> <li>• Provide an increase in manufacturing, research, service, or professional jobs, at least 75 percent of which will pay wages 25 percent higher than the area median</li> <li>• Are not in retail sales or the provision of legal, medical, accounting, financial, entertainment, or similar services from the location</li> </ul> <p>These districts are subject to special rules:</p> <ul style="list-style-type: none"> <li>• The duration limit is extended from 8 to 12 years</li> <li>• The nonqualifying space (e.g., general office space for a manufacturing facility) can be increased to 25 percent from the 15 percent limit under general law</li> <li>• Up to 20 percent of the increments can be deposited in a business retention or expansion fund the city establishes. The city also is permitted to deposit increments from the pre-1990 district into this fund. The fund can be used for the same types of projects, but is otherwise free of the restrictions that would apply to tax increments. Effective upon local approval.</li> </ul>	<p>No comparable provision.</p>
9	<p>No comparable provision.</p>	<p><b>Section 6. City of Maple Grove; TIF.</b> Grants special law authority to the city of Maple Grove to create TIF districts (until December 31, 2022) under special rules in a defined area of the city. Before</p>

Sec.	Article 6: Local Development	Article 5: Local Development
		<p>using this authority, the city must find that 80 percent of the defined area has one or more of the following conditions (a parcel is treated as wholly meeting the requirement if 70 percent of its area meets the requirement, except that a 30 percent test applies for the substandard building requirement): (1) peat or other geotechnical difficulties; (2) substantial fill is required for commercial development; (3) landfills, dumps or similar conditions; (4) quarries or gravel pits; (5) floodway; and (6) substandard buildings.</p> <p>The city may create a new type of district – a soil deficiency district. To qualify, 80 percent of the area needs to have soils or terrain difficulties with estimated correction costs that exceed the fair market value of the property (but not counting the costs of roads and other public improvements that landowners can be assessed for). These districts would be allowed to collect 20 years of increment and would be limited to spending increment on land acquisition, soils correction, public improvement and administrative expenses.</p> <p>The five-year rule is extended to ten years and the pooling percentage is increased from 20 percent to 80 percent.</p>
	<p><b>Section 3.</b> Similar. General law provision allows an extension of the five-year rule through June 30, 2017.</p>	<p><b>Section 7. City of Mound; TIF.</b> Extends the five-year rule to thirteen years for the Mound Harbor tax increment financing district. The district was certified on May 5, 2005.</p>
<p><b>10</b></p>	<p><b>North St. Paul.</b> Allows the city of North St. Paul additional time to request certification of a redevelopment district using the general law “deeming” provision for a specified parcel. That provision allows a city in applying the redevelopment district test to deem a parcel as blighted (i.e., occupied by a substandard building) if the city or the developer has already removed a substandard building from the parcel and requests certification with three years. The section extends that 3-year period through December 31, 2016.</p>	<p><b>Section 8.</b> Similar. Extends the three-year period through December 31, 2017. The city may elect to use the current value for purposes of calculating original net tax capacity for the parcels deemed occupied.</p>
	<p>No comparable provision.</p>	<p><b>Section 9. City of Savage; TIF.</b> Grants special law authority to the city of Savage to create TIF districts (until December 31, 2022) under special rules in a defined area of the city. Before using this authority, the city must find that 80 percent of the defined area has one or more of the following conditions (a parcel is treated as wholly meeting the requirement if 70 percent of its area meets the requirement, except that a 30 percent test applies for the substandard building requirement): (1) peat or other geotechnical difficulties; (2) substantial fill is required for commercial development; (3) landfills, dumps or similar conditions; (4) quarries or gravel pits; (5) floodway; and (6) substandard buildings.</p> <p>The city may create a new type of district – a soil deficiency district. To qualify, 80 percent of the</p>

Sec.	Article 6: Local Development	Article 5: Local Development
		<p>area needs to have soils or terrain difficulties with estimated correction costs that exceed the fair market value of the property (but not counting the costs of roads and other public improvements that landowners can be assessed for). These districts would be allowed to collect 20 years of increment and would be limited to spending increment on land acquisition, soils correction, public improvement and administrative expenses.</p> <p>The five-year rule is extended to ten years and the pooling percentage is increased from 20 percent to 80 percent.</p>
	<p>No comparable provision.</p>	<p><b>Section 10. Workforce housing TIF pilot project.</b> Authorizes a city with a population exceeding 1,500 and located in either Roseau or Pennington County to establish a maximum of two housing districts subject to special rules. Allows the city to elect to substitute “80 percent” for both the 40-60 percentage requirements in the 40-60 test for determining income limits. Requires that, within five years after certification of the district, the city submit a report to the legislature outlining how the project was funded, in addition to the use of tax increment financing.</p>

Sec.	Article 7: Miscellaneous	Article 6: Miscellaneous
	No comparable provision.	<b>Sec. 1. Appropriation.</b> Removes language requiring the transfer of \$1 million for the Agricultural Utilization Research Institute (AURI) from the general fund to the commissioner of revenue for deposit in a special revenue fund. The proposed language would appropriate the amount from the general fund and not require deposit into a special revenue fund.
	<b>House Art. 3, Sec. 4.</b> Similar.	<b>Sec. 2. Transfer-on-death of title to motor vehicle.</b>
	<b>House Art. 3, Sec. 16.</b> Same.	<b>Sec. 5. Sale, sells, selling, purchase, purchased, or acquired.</b>
1	<b>Notice of pending license revocation for nonpayment of taxes.</b> Requires a licensing authority (for professional and occupational licenses) to notify license holders by certified mail that their license may be revoked for failure to pay state tax of \$500 or more or for failure to file tax returns. The authority must send the notice within 10 days after it received notice from the Department of Revenue (DOR). The notice must include a copy of the DOR notice, as well as information on how the licensee can obtain a tax clearance from DOR to avoid the revocation. The licensing authority is required to revoke the license, unless it receives a tax clearance from DOR within 30 days after it received the original notice. Effective July 1, 2014.	<b>Sec. 3.</b> Same.
2	<b>Notice and hearing.</b> Eliminates the requirement for DOR to send the notice to the licensee. (This is replaced by the licensing authority sending the notice under section 1.) Before DOR is allowed to notify the licensing agency it must (under present law) notify the licensee of its intent to require revocation and the licensee's right to request a contested case hearing. Effective July 1, 2014.	<b>Sec. 4.</b> Same.
3	<b>Interest rate on unpaid property taxes; composite judgments.</b> Provides that the interest rate on unpaid taxes in a composite confession of judgment is limited to the rate provided in section 4 for judgments on parcels that consist in part of homesteaded property. Effective for judgments entered into after June 30, 2015.	<b>Art. 1, sec. 9.</b> Same.
4	<p><b>Interest rate on unpaid property taxes.</b> Provides a lower interest rate for homesteaded property (both regular and disabled) on which the taxpayer/property owner has agreed to an installment payment agreement (commonly referred to as "confession of judgment"). Sets the rate for these payments as the greater of:</p> <ul style="list-style-type: none"> <li>▶ 5 percent; or</li> <li>▶ 2 percentage points over the prime rate charged by banks to their most creditworthy borrowers.</li> </ul> <p>The commissioner of revenue will annually determine the prime rate based on Federal Reserve data. The rate when the installment payment agreement is entered will be fixed (regardless of fluctuations in the prime rate over the term of the installment payment agreement) for the duration of</p>	<b>Art. 1, sec. 10.</b> Similar. Senate includes language providing that the determination of the commissioner under this subdivision shall not be considered a rule and shall not be subject to the Administrative Procedure Act.

Sec.	Article 7: Miscellaneous	Article 6: Miscellaneous
	<p>the confession of judgment. Effective for judgments entered into after June 30, 2015.</p> <p><b>Background.</b> Under present law, the interest rate on confession of judgments fluctuates between a minimum of 10 percent and maximum of 14 percent. For 2014 it is 10 percent. By contrast, the interest rate on unpaid state taxes is currently 3 percent. Over the last ten years it has fluctuated between 3 percent and 8 percent.</p>	
5	<p><b>Aircraft registration tax.</b> Makes a technical or clarifying change in the tax rate schedule for the aircraft registration tax enacted by the 2013 legislature to make it clear that the end point of each bracket includes all amounts up to the starting point of the next bracket. Existing law has a \$1 gap in the amounts. The change is effective at the same time as the 2013 change (for registrations beginning on July 1, 2014).</p>	<p><b>Art. 2, sec. 19.</b> Same.</p>
6	<p><b>Authority to levy property taxes and incur debt (Anoka County).</b> Expands Anoka County's current authority to levy property taxes to pay for bonds to fund countywide public safety improvements and equipment to also allow them to fund pay-as-you-go improvements and equipment. Effective for taxes payable in 2013 through 2023.</p>	<p><b>Art. 1, Sec. 11.</b> Same.</p>
7	<p><b>Treatment of levy (Anoka County).</b> Allows the levy for both bond repayment and pay-as-you-go projects under section 7 to be a separate line item on the proposed property tax notice and the property tax statement. Repeals the exemption for the debt issued under section 8 from the net debt limits. Effective for taxes payable in 2013 through 2023.</p>	<p><b>Art. 1, Sec. 12.</b> Similar. Senate does not repeal exemption for debt issued from the net debt limits.</p>
8	<p><b>Border zone allocations.</b> Allocates \$1.5 million in calendar year 2014 and \$3 million per calendar year in 2015 through 2019 to the border city enterprise zone program. These allocations would expire, if they are unused, at the end of each calendar year. Under present law, the one-time allocations carryover until used. As with the one-time allocations, the cities (Breckenridge, Dilworth, East Grand Forks, Moorhead, and Ortonville) could allocate the amounts between the two programs – the border city enterprise zone and border city development zone programs. The latter program is focused on attracting new or expanding businesses, while the enterprise zone program is also available to existing businesses to offset the differential in tax and businesses costs with the neighboring states (North or South Dakota). Effective July 1, 2014, but \$1.5 million is provided for calendar year 2014.</p>	<p>No comparable provision.</p>
9	<p><b>Business tax credit.</b> Increase the maximum per worker tax credit that may be provided to border city businesses from \$1,500 to \$3,000.</p>	<p>No comparable provision.</p>
10	<p><b>Carlton County Soil and Water Conservation District.</b> Authorizes Carlton County to impose a levy on behalf of the Carlton County Soil and Water Conservation District to pay for planning, constructing and equipping an office and storage facility for the District. Provides that the levy authority expires after the principal, interest, and</p>	<p>No comparable provision.</p>

Sec.	Article 7: Miscellaneous	Article 6: Miscellaneous
	<p>any costs of a loan to finance the project have been paid off, or that the levy authority expires if the district is unable to obtain a loan for the project prior to May 1, 2017.</p> <p>The levy authority is subject to local approval by the Carlton County board.</p>	
<p><b>11</b></p>	<p><b>Purpose statements for tax expenditures.</b> Provides purpose statements for various tax expenditures added by the bill as follows:</p> <ul style="list-style-type: none"> <li>• Income tax subtraction for discharge of indebtedness income, in response to the national housing crisis.</li> <li>• Income tax subtraction for National Guard members in Active Guard/Reserve status – to provide equitable tax treatment with other members of the military.</li> <li>• Research credit for sole proprietors – to provide equitable tax treatment with other business types</li> <li>• Estate tax situs rules for qualified art – to prevent Minnesota’s estate tax from discouraging nonresident owners of art from loaning it to Minnesota nonprofit museums.</li> <li>• Sales tax exemption for coin-operated amusement devices – to reduce tax pyramiding</li> <li>• Expansion of sales tax exemption for local governments – to reduce the cost of local services, remove a barrier to intergovernmental cooperation, and reduce compliance and administrative costs</li> <li>• Sales tax exemption for fundraising sales by nonprofits – to reflect the impact of inflation and reduce compliance costs.</li> <li>• Microdistillery credit – to encourage development and marketing of products by Minnesota niche distillers.</li> </ul> <p><b>Background.</b> Minnesota Statutes, section 3.192, requires bills that create new tax expenditures or renew existing tax expenditures to provide a purpose for the tax expenditure and a standard or goal for use in measuring its effectiveness.</p>	<p><b>No comparable provision. Senate Art. 7, Sec. 91</b> proposes to repeal the purpose statements requirement.</p>



Sec.	Article 8: Unsession	Article 7: Unsession
1	<b>Debt; definition.</b> Strikes a reference to a “debt qualification plan” in the definition of “debt” in the state debt collection chapter. The department no longer uses debt qualification plans, but instead uses service level agreements. Effective the day following final enactment.	<b>Sec. 1.</b> Same.
2	<b>Referring agency; definition.</b> Replaces a reference to “debt qualification plan” with “agreement” in the definition of “referring agency” in the state debt collection chapter. The department no longer uses debt qualification plans, but instead uses service level agreements. Effective the day following final enactment.	<b>Sec. 2.</b> Same.
3	<b>Collection services for referring agencies.</b> Strikes a reference to a “debt qualification plan”. The department no longer uses debt qualification plans, but instead uses service level agreements. Effective the day following final enactment.	<b>Sec. 3.</b> Same.
4	<b>Contracts for collection of debt.</b> Removes references to the commissioner of management and budget, since current practice is for the commissioner of revenue to contract directly with collection entities. Effective the day following final enactment.	<b>Sec. 4.</b> Same.
5	<b>Notice to debtor.</b> Moves the requirement that the commissioner advise debtors of collection costs and the right to cancellation from the section of statute imposing collection costs to the section requiring notice to debtors. Effective the day following final enactment.	<b>Sec. 5.</b> Same.
6	<b>Imposition of collection costs.</b> Strikes the requirement that the commissioner advises debtors of collection costs, which is reinstated in section 5. Strikes an obsolete sentence appropriating collection costs collected by private agencies to referring agencies to pay collection fees because collection fees to private agencies are now paid by the department. Also strikes an outdated reference to the commissioner of management and budget. Effective the day following final enactment.	<b>Sec. 6.</b> Same.
7	<b>Cancellation of collection costs.</b> Strikes references to the no longer existing unit of the department of revenue that collected only nontax debt. The entire Collection Division collects both tax and nontax debt. Effective the day following final enactment.	<b>Sec. 7.</b> Same.
8	<b>Rate for collection costs.</b> Strikes references to the no longer existing unit of the department of revenue that collected only nontax debt. The entire Collection Division collects both tax and nontax debt. Effective the day following final enactment.	<b>Sec. 8.</b> Same.
9	<b>Reforestation areas, 1931.</b> Eliminates obsolete tax references (to property tax base amounts in 1931) under a program allowing counties to apply for the state takeover of lands for reforestation.	<b>Sec. 9.</b> Same.
10	<b>Reforestation areas, 1933.</b> Eliminates obsolete tax references (to property tax base amounts in 1933) under a program allowing counties to apply for the state takeover of lands for reforestation.	<b>Sec. 10.</b> Same.
11	<b>Drycleaner fee.</b> Provides that sellers of dry cleaning solvents must file their returns and pay the tax at the same time and in the same manner that	<b>Sec. 11.</b> Same.

Sec.	Article 8: Unsession	Article 7: Unsession
	they pay their sales tax. Effective for fees due after June 30, 2014.	
12	<b>County road and bridge levy.</b> Eliminates an obsolete reference to the tax on money and credits. This tax has not been imposed since the 1940s and was formally repealed in 1979.	Sec. 12. Same.
13	<b>State board of equalization.</b> Strikes an unnecessary phrase relating to the continuation of the state board of equalization, since remaining language provides that the commissioner may exercise all powers of the board. Effective the day following final enactment.	Sec. 13. Same.
14	<b>State board of equalization.</b> Strikes paragraphs authorizing the board to reduce aggregate valuations, and amends paragraphs allowing for increases in valuations to allow for increases or decreases. Effective the day following final enactment.	Sec. 14. Same.
15	<b>State board of equalization; public utility property.</b> Strikes unnecessary language providing that public utility property is treated as a separate class of property notwithstanding the fact that its class rate is the same as that of commercial industrial property. Effective the day following final enactment.	Sec. 15. Same.
16	<b>Claimant agency; revenue recapture.</b> Strikes references to the no longer existing unit of the department of revenue that collected only nontax debt. The entire Collection Division collects both tax and nontax debt. Effective the day following final enactment.	Sec. 16. Same.
17	<b>Data practices; biotechnology zones.</b> Eliminates a reference to the biotechnology and health science industry zone in the DOR data practices law. Section 94 repeals the biotechnology zone law, which has not been funded since the FY 2004-05 biennium.	Sec. 17. Same except that the Senate provision is effective January 1, 2016.
18	<b>Notification requirements; sales and use taxes.</b> Strikes an outdated requirement that the electronic notification of sales tax permit holders begin no later than December 31, 2009. Effective the day following final enactment.	Sec. 18. Same.
19	<b>Payment agreement fee.</b> Strikes obsolete language that indicates the payment agreement fee reflects the commissioner's costs for entering into payment agreements. When the payment agreement fee was initially proposed, it was a flat \$25 fee that was adjusted annually to reflect the commissioner's costs. It was subsequently changed to a flat \$50 fee with no annual adjustment, but the language referencing the commissioner's costs was not removed. Effective the day following final enactment.	Sec. 19. Same.
20	<b>Exempt property.</b> Strikes language exempting specific personal property, which is covered by the remaining general-exemption language for personal property. Effective the day following final enactment.	Sec. 20. Same.
21	<b>Exceptions to exemption from taxation.</b> Strikes an obsolete reference to telegraph companies (the outdated communication system of sending messages by telegram). Effective the day following	Sec. 21. Same.

Sec.	Article 8: Unsession	Article 7: Unsession
	final enactment.	
22	<b>Time for filing exemption statements.</b> Strikes a cross reference to a subdivision repealed by section 94.	Sec. 22. Same.
23	<b>Utility personal property.</b> Strikes a cross reference to a subdivision repealed by section 94 and to a previously repealed subdivision.	Sec. 23. Same.
24	<b>Wind energy production tax.</b> Eliminates obsolete language governing past distributions of wind energy production tax revenues.	Sec. 24. Same.
25	<b>Market value definition.</b> Strikes a reference to class 2e property. This classification was eliminated in an earlier version of the bill.	No comparable provision.
26	<b>County assessor salaries.</b> Removes obsolete assessor salary scales and compensation for city and county assessors. This language provides minimum compensation levels that are far below current assessor salaries. Effective the day following final enactment.	Sec. 25. Same.
27	<b>Assessment books; school districts.</b> Removes the requirement that school district numbers be recorded in paper assessment books. At the present counties electronically maintain the required information about the school district in which property lies. Effective the day after final enactment.	Sec. 26. Same.
28	<b>Valuation of income-producing property.</b> Strikes language specifying that only certain assessors may value income-producing property, "Beginning with the 1995 assessment." Because the 1995 assessment is long past, this phrase is now obsolete. Effective the day following final enactment.	Sec. 27. Same.
29	<b>Private golf club guidelines.</b> Strikes obsolete language that required the commissioner to mail qualification guidelines related to outdoor recreation space for private golf courses to county attorneys and county assessors within 60 days of May 26, 1989, and for assessors to mail those guidelines to each golf club in the county within 15 days of receiving the guidelines from the commissioner. Effective the day following final enactment.	Sec. 28. Same.
30	<b>Sales ratio.</b> Updates a cross-reference to reflect changes in section 14.	Sec. 29. Same.
31	<b>Disparity reduction aid.</b> Provides that disparity reduction aid (DRA) is not recalculated each time there is a change in class rates.	No comparable provision.
32	<b>Assessment books; exempt property.</b> Removes the requirement that exempt property be recorded in paper assessment books. At the present counties electronically maintain the required information about exempt property. Effective the day after final enactment.	Sec. 30. Same.
33	<b>Board meetings.</b> Strikes an obsolete requirement that assessors bring assessment books and papers to board meetings, and update information in paper assessment books. At present, counties maintain assessment information electronically. Effective the day after final enactment.	Sec. 31. Same.
34	<b>Special boards of review.</b> Strikes superfluous language that includes cities with charters that provide for a board of equalization in those cities authorized to appoint special boards, since the	Sec. 32. Same.

Sec.	Article 8: Unsession	Article 7: Unsession
	underlying language allows all cities to appoint special boards. Effective the day after final enactment.	
35	<b>Computation of tax capacity.</b> Strikes outdated references to taxes payable in 1989 and 1990. Effective the day after final enactment.	<b>Sec. 33.</b> Same.
36	<b>Local tax rate.</b> Strikes outdated references to taxes payable in 1989 and 1990. Effective the day after final enactment.	<b>Sec. 34.</b> Same.
37	<b>Special levies.</b> Eliminates obsolete provisions from the definition of special levies under general law. This provision is not now in effect; the 2014 levy limits were imposed under a temporary, uncodified provision of law that only recognized selected special levies.	<b>Sec. 35.</b> Same.
38	<b>Special levy authorization.</b> Updates a cross-reference to reflect changes in section 37.	<b>Sec. 36.</b> Same.
39	<b>Special levy exemption.</b> Updates a cross-reference to reflect changes in section 37.	<b>Sec. 37.</b> Same.
40	<b>Section 40, subs. 1 – 1a. Interest on delinquent property taxes.</b> Eliminates obsolete language relating to calculation of interest on delinquent property taxes. Since 1991, these rates have been superseded by the rates set in subdivision 1a.	<b>Secs. 38 – 39.</b> Same language for subdivisions 1 and 1a. (Senate language deals with each subdivision in a separate section of the bill.)
	<b>Section 40, subd. 2. Composite judgment.</b> Eliminates obsolete language relating to calculation of interest on delinquent property taxes. [Article 7, section 3, also amends this subdivision in the same way as Senate article 1, section 9.]	Senate removed this subdivision from the original Unsession bill. Senate article 1, section 9, amends this subdivision in the same manner as House article 7, section 3.
41	<b>Real estate tax judgments.</b> Strikes obsolete references to paper judgment books. These records are now maintained electronically. Effective the day after final enactment.	<b>Sec. 40.</b> Same.
42	<b>Transmittal of judgments to county auditor.</b> Strikes obsolete references to paper judgment books. These records are now maintained electronically. Effective the day after final enactment.	<b>Sec. 41.</b> Same.
43	<b>Payment before judgment.</b> Strikes obsolete references to paper judgment books. These records are now maintained electronically. Effective the day after final enactment.	<b>Sec. 42.</b> Same.
44	<b>Installment payments for tax-forfeited property.</b> Replaces obsolete references to 1941 statutes with references to current statutes. Effective day following final enactment.	<b>Sec. 43.</b> Same.
45	<b>Tax judgment sales.</b> Removes obsolete date-specific language related to public sales of property against which there is a tax judgment. Effective the day following final enactment.	<b>Sec. 44.</b> Same.
46	<b>Certificate of sale.</b> Strikes an obsolete reference to telegraphs. Effective the day following final enactment.	<b>Sec. 45.</b> Same.
47	<b>Recording of sales.</b> Strikes obsolete references to paper judgment books. These records are now maintained electronically. Effective the day after final enactment.	<b>Sec. 46.</b> Same.
48	<b>Tax judgment sales.</b> Removes obsolete date-specific language related to public sales of property against which there is a tax judgment, and also strikes obsolete references to telegraphs. Effective the day following final enactment.	<b>Sec. 47.</b> Same.

Sec.	Article 8: Unsession	Article 7: Unsession
49	<b>Auditor's certificate.</b> Strikes obsolete references to paper judgment books. These records are now maintained electronically. Effective the day after final enactment.	<b>Sec. 48.</b> Same.
50	<b>Redemption period.</b> Strikes obsolete redemption provisions for land in the Loring Park neighborhood for redemption periods beginning after June 30, 1991, but before July 1, 1996. Effective the day following final enactment.	<b>Sec. 49.</b> Same.
51	<b>Tax judgments.</b> Strikes obsolete references to paper judgment books. These records are now maintained electronically. Effective the day after final enactment.	<b>Sec. 50.</b> Same.
52	<b>Duties after sale.</b> Strikes obsolete references to telegraphs. Effective the day following final enactment.	<b>Sec. 51.</b> Same.
53	<b>Easements.</b> Strikes obsolete references to telegraphs. Effective the day following final enactment.	<b>Sec. 52.</b> Same.
54	<b>Repurchase of tax-forfeited property.</b> Strikes obsolete date-specific language. Effective the day following final enactment.	<b>Sec. 53.</b> Same.
55	<b>Service fee.</b> Strikes obsolete date-specific language. Effective the day following final enactment.	<b>Sec. 54.</b> Same.
56	<b>Conditions of repurchase.</b> Strikes obsolete references to telegraphs. Effective the day following final enactment.	<b>Sec. 55.</b> Same.
57	<b>Forfeited land.</b> Strikes obsolete references to session laws. Effective the day following final enactment.	<b>Sec. 56.</b> Same.
58	<b>Documentary stamps.</b> Removes references to obsolete deed tax documentary stamps, which are no longer used to reflect that deed tax has been paid. Effective the day following final enactment.	<b>Sec. 57.</b> Same.
59	<b>Estimated tax.</b> Strikes duplicative language that says estimated payments are not required if the estimated tax is less than \$500, which appears elsewhere in chapter 289A.	<b>Sec. 58.</b> Same.
60	<b>Domestic corporation.</b> Eliminates references to domestic international sales corporations and foreign sales corporations, entities which no longer exist under federal law. Effective beginning in tax year 2014.	<b>Sec. 59.</b> Same.
61	<b>Subtractions from taxable income; corporations.</b> Strikes an obsolete subtraction for the difference between state-allowed and federally-allowed intangible drilling costs, which applied to costs incurred in taxable years prior to 1987. Effective beginning in tax year 2014.	<b>Sec. 60.</b> Same.
62	<b>Basis modifications.</b> Strikes obsolete language related to the Accelerated Cost Recovery System (ACRS). All assets placed in service using ACRS have now been completely depreciated, and Minnesota now uses the same depreciation schedule as federal law, making the adjustments stricken obsolete. Effective for taxable years beginning after December 31, 2013.	<b>Sec. 61.</b> Same.
63	<b>Taxable income definition.</b> Eliminates reference to the biotechnology and health science industry zone in the definition of taxable income. Section 94 repeals the biotechnology zones, which have not	<b>Sec. 62.</b> Same except that the Senate provision is effective beginning in tax year 2016.

Sec.	Article 8: Unsession	Article 7: Unsession
	been funded since the FY 2004-05 biennium. Effective beginning in tax year 2014.	
64	<b>Jurisdiction to tax.</b> Strikes an obsolete reference to telegraphs. Effective the day following final enactment.	<b>Sec. 63.</b> Same.
65	<b>Annual accounting period.</b> Strikes obsolete language regarding accounting periods. Because Minnesota's tax calculation starts with federal taxable income, income taxpayers must use the same accounting periods for Minnesota purposes as used for federal purposes. Effective for taxable years beginning after December 31, 2013.	<b>Sec. 64.</b> Same.
66	<b>Accounting periods.</b> Strikes directions on changing accounting periods, since Minnesota income taxpayers must use the same accounting periods for Minnesota purposes as used for federal purposes. Effective for taxable years beginning after December 31, 2013.	<b>Sec. 65.</b> Same.
67	<b>Alternative minimum tax; corporations.</b> Strikes an obsolete adjustment for the difference between state-allowed and federally-allowed intangible drilling costs, which applied to costs incurred in taxable years prior to 1987. Also eliminates the exemption for biotechnology and health science industry zone income under the corporate alternative minimum tax. Effective beginning in tax year 2014.	<b>Sec. 66.</b> Same except that the elimination of the exemption for biotechnology and health science industry zones income under the corporate alternative minimum tax is effective beginning in tax year 2016.
68	<b>Minimum fee.</b> Eliminates the exemption for biotechnology and health science industry zone factors (property and payrolls) under the minimum fee. Effective beginning in tax year 2014.	<b>Sec. 67.</b> Same except that the Senate provision is effective beginning in tax year 2016.
69	<b>Net operating loss carryover.</b> Strikes obsolete language regarding net operating losses incurred in taxable years beginning before January 1, 1987, which allowed five-year carryovers and three-year carrybacks. These periods are now complete. The remaining language allows losses incurred in taxable years beginning after January 1, 1987 to be carried over for fifteen years. Effective for taxable years beginning after December 31, 2013.	<b>Sec. 68.</b> Same.
70	<b>Sales of tangible personal property.</b> Strikes a phrase made obsolete by previous changes to the sales factor regarding sales of tangible personal property made within this state. Effective the day following final enactment. (Note: also in article 10, section 4)	<b>Sec. 69.</b> Same.
71	<b>Taxable income; S corporations.</b> Strikes a reference to depreciation modifications made obsolete by the changes in section 62. Effective beginning in tax year 2014.	<b>Sec. 70.</b> Same.
72	<b>Sales and purchase; admissions.</b> Strikes a reference to "Turkish baths" which are included in the definition of "steam baths". Effective the day following final enactment.	<b>Sec. 71.</b> Same.
73	<b>Nonprofit tickets or admissions.</b> Strikes language that phased-in the requirement that the nonprofit's annual revenue include a fixed percentage of voluntary contributions, which is obsolete since the phase-in was completed in 2004, at 5 percent. Effective the day following final enactment.	<b>Sec. 72.</b> Same.
74	<b>Sales tax refunds.</b> Eliminates obsolete reference to sales tax refunds for the Long Lake Conservation Center which has been completed and a meat	<b>Sec. 73.</b> Same with regard to the Long Lake Conservation center. The Senate language does not eliminate the reference to the meat processing

Sec.	Article 8: Unsession	Article 7: Unsession
	processing facility that was never built. Effective the day after final enactment.	facility.
75	<b>Cross references.</b> Updates cross references to reflect changes made in section 74.	<b>Sec. 74.</b> Same except that the Senate language retains the cross references to the meat processing facility that was not stricken (Senate sec. 73).
76	<b>Refund limits.</b> Eliminates obsolete limitations on sales tax refunds related to fiscal years 2010 and 2011. Also updates cross-references to reflect changes in section 74.	<b>Sec. 75.</b> Same
77	<b>Deposit of revenues.</b> Strikes deposit percentages that relate to past years 2001, 2002, 2003, and 2004 for the deposit of Lottery in lieu of taxes. Effective the day following final enactment.	<b>Sec. 76.</b> Same.
78	<b>Allocation of revenues.</b> Strikes deposit allocation provisions that relate to past years 2007, 2008, 2009, 2010 and up to June 30, 2011, for motor vehicle sales tax. Effective the day following final enactment.	<b>Sec. 77.</b> Same.
79	<b>Cigarette license application forms.</b> Strikes specific items required on cigarette and tobacco products license application forms; underlying statute provides for the commissioner to prescribe the form. Effective the day following final enactment.	<b>Sec. 78.</b> Same.
80	<b>Life insurance tax rate.</b> Eliminates obsolete references to now expired insurance premiums tax rates on life insurance.	<b>Sec. 79.</b> Same.
81	<b>Aggregate tax.</b> Eliminates references to specific counties in the aggregate tax statute. Under present law, any county is now authorized to impose this tax. Effective on January 1, 2015.	No comparable provision.
82	<b>Assessor salaries.</b> Removes obsolete assessor salary scales and compensation for city and county assessors. This language provides minimum compensation levels that are far below current assessor salaries. Effective the day following final enactment.	<b>Sec. 80.</b> Same.
83	<b>Police and fire retirement supplemental aid.</b> Strikes outdated language inadvertently retained after the changes made by Laws 2013, Chapter 143. Effective the day after final enactment.	<b>Sec. 81.</b> Same.
84	<b>Acceptance of gifts.</b> Eliminates the market value limitations on the types of second, third, and fourth class cities that are authorized to receive gifts, including gifts that are partially repaid as annuities.	No comparable provision.
85	<b>Compact development TIF districts.</b> Eliminates reference to compact development TIF districts. The authority to establish these districts expired in 2012 and was apparently never used.	<b>Sec. 82.</b> Same.
86	<b>TIF administrative expenses.</b> Eliminates obsolete language in the TIF statute governing administrative expenses.	<b>Sec. 83.</b> Same.
87	<b>TIF; biotech zones.</b> Clarifies that the special TIF authority for biotechnology and health science industry zones can be used until those zones expire. This authority is not dependent on state funding of the zone and remains viable until the three zones (in Minneapolis, St. Paul., and Rochester) expire at the end of 2015.	<b>Sec. 84.</b> Same except adds a clarifying reference to Minnesota Statutes, 2012 for the biotechnology and health science industry zones because the existing language references a statute that is repealed in section 91 (House section 94).
88	<b>MAC bonds.</b> Eliminates an obsolete reference to the tax on money and credits in a Metropolitan Airports Commission bonding statute. This tax has	<b>Sec. 85.</b> Same.

Sec.	Article 8: Unsession	Article 7: Unsession																														
	not been imposed since the 1940s and was formally repealed in 1979.																															
89	<b>County program aid.</b> Removes outdated provisions for 2009 county program aid to Pine County, which has already been paid and is no longer effective. Effective the day following final enactment.	<b>Sec. 86.</b> Same.																														
90	<b>Local government aid.</b> Strikes references to the road accident factor, which is no longer used as a factor for calculating local aid. Effective the day following final enactment.	<b>Sec. 87.</b> Same.																														
91	<b>County program aid.</b> Strikes a cross-reference to a provision repealed in section 94. Effective the day after final enactment.	<b>Sec. 88.</b> Same.																														
92	<b>Cost of transcripts.</b> Strikes a cross-reference to a provision repealed in section 94. Effective the day after final enactment.	<b>Sec. 89.</b> Same.																														
93	<b>Revisor’s Instruction.</b> Instructs the Revisor of Statutes to make all necessary cross references in Minnesota Statutes and rules and other changes consistent with the changes made in this article.	<b>Sec. 90.</b> Same.																														
94	<p><b>Repealer.</b> Repeals the following statutes:</p> <table border="1" data-bbox="164 1091 854 2505"> <tbody> <tr> <td data-bbox="164 1091 391 1166"></td> <td data-bbox="391 1091 854 1166">No comparable provision.</td> </tr> <tr> <td data-bbox="164 1166 391 1319">16D.02, subds. 5 and 8</td> <td data-bbox="391 1166 854 1319">Provides definitions of “debt qualification plan” and “enterprise” which are no longer used.</td> </tr> <tr> <td data-bbox="164 1319 391 1395">16D.11, subd. 2</td> <td data-bbox="391 1319 854 1395">Obsolete computation and requirement to return debts.</td> </tr> <tr> <td data-bbox="164 1395 391 1502">270C.131</td> <td data-bbox="391 1395 854 1502">Quarterly sales tax reports no longer used by Explore Minnesota Tourism.</td> </tr> <tr> <td data-bbox="164 1502 391 1763">270C.53</td> <td data-bbox="391 1502 854 1763">Authority to abate the liability of a taxpayer who is not able to pay a delinquent tax liability if the taxpayer agrees to perform uncompensated public service; which according to DOR has not been used in a number of years.</td> </tr> <tr> <td data-bbox="164 1763 391 1870">270C.991, subd. 4</td> <td data-bbox="391 1763 854 1870">Authorization for the property tax working group, which has completed its work.</td> </tr> <tr> <td data-bbox="164 1870 391 2024">272.02, subds. 1, 1a, 43, 48, 51, 53, 67, 72, and 82</td> <td data-bbox="391 1870 854 2024">Personal property tax exemptions for public utility projects that were not constructed.</td> </tr> <tr> <td data-bbox="164 2024 391 2131">272.027, subd. 2</td> <td data-bbox="391 2024 854 2131">Personal property tax exemption for public utility project that was not constructed.</td> </tr> <tr> <td data-bbox="164 2131 391 2279">272.031</td> <td data-bbox="391 2131 854 2279">Unnecessary language specifying that abbreviations may be used in property tax records.</td> </tr> <tr> <td data-bbox="164 2279 391 2505">273.015, subd. 1</td> <td data-bbox="391 2279 854 2505">Requirement that property tax statements be rounded to the nearest even cent. Counties round property tax to the nearest dollar, which makes this provision obsolete.</td> </tr> </tbody> </table>		No comparable provision.	16D.02, subds. 5 and 8	Provides definitions of “debt qualification plan” and “enterprise” which are no longer used.	16D.11, subd. 2	Obsolete computation and requirement to return debts.	270C.131	Quarterly sales tax reports no longer used by Explore Minnesota Tourism.	270C.53	Authority to abate the liability of a taxpayer who is not able to pay a delinquent tax liability if the taxpayer agrees to perform uncompensated public service; which according to DOR has not been used in a number of years.	270C.991, subd. 4	Authorization for the property tax working group, which has completed its work.	272.02, subds. 1, 1a, 43, 48, 51, 53, 67, 72, and 82	Personal property tax exemptions for public utility projects that were not constructed.	272.027, subd. 2	Personal property tax exemption for public utility project that was not constructed.	272.031	Unnecessary language specifying that abbreviations may be used in property tax records.	273.015, subd. 1	Requirement that property tax statements be rounded to the nearest even cent. Counties round property tax to the nearest dollar, which makes this provision obsolete.	<p><b>Section 91. Repealer.</b></p> <table border="1" data-bbox="854 1091 1542 2505"> <tbody> <tr> <td data-bbox="854 1091 1542 1166">3.192, Tax expenditure purpose statements, effective retroactively to April 1, 2014.</td> </tr> <tr> <td data-bbox="854 1166 1542 1319">Same.</td> </tr> <tr> <td data-bbox="854 1319 1542 1395">Same.</td> </tr> <tr> <td data-bbox="854 1395 1542 1502">Same.</td> </tr> <tr> <td data-bbox="854 1502 1542 1763">Same.</td> </tr> <tr> <td data-bbox="854 1763 1542 1870">Same.</td> </tr> <tr> <td data-bbox="854 1870 1542 2024">Same, except that Senate language does not repeal subdivision 43.</td> </tr> <tr> <td data-bbox="854 2024 1542 2131">Same.</td> </tr> <tr> <td data-bbox="854 2131 1542 2279">Same.</td> </tr> <tr> <td data-bbox="854 2279 1542 2505">Same.</td> </tr> </tbody> </table>	3.192, Tax expenditure purpose statements, effective retroactively to April 1, 2014.	Same.	Same.	Same.	Same.	Same.	Same, except that Senate language does not repeal subdivision 43.	Same.	Same.	Same.
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Sec.	Article 8: Unsession	Article 7: Unsession
	273.03, subd. 3 Superfluous language specifying that other laws that are not inconsistent with certain statutes continue in full force and effect.	Same.
	273.075 Instructional courses for certain assessors and auditors that were funded with a 1971 appropriation.	Same.
	273.1103 Net debt conversion from full and true market value to assessed market (this was completed in the 1970s and replaced by net tax capacity in 1989).	No comparable provision.
	273.1383 1997 flood loss replacement aid.	Same.
	273.1386 2002 flood loss replacement aid.	Same.
	273.1398, subd. 4b Obsolete provision related to the state takeover of court costs.	No comparable provision.
	273.80 Distressed homestead reinvestment exemption for homes damaged before May 1, 2003.	Same.
	275.77 Temporary suspension of new or increased maintenance of effort requirements – expired July 1, 2011.	Same.
	279.32 Obsolete provision related to lands with delinquent tax repurchased before 1936.	Same.
	281.173, subd. 8 Limits the applicability of statute relating to the redemption periods for certain abandoned properties to tax judgment sales on or after April 13, 1996.	Same.
	281.174, subd. 8 Limits the applicability of statute relating to the redemption periods for certain vacant properties to tax judgment sales on or after April 13, 1996.	Same.
	281.328 Obsolete provision validating assignment certificates issued before January 1, 1972.	Same.
	282.10 Obsolete provision authorizing reimbursement of tax forfeiture purchases made before 1940 that are invalidated by a court.	Same.
	282.23 Obsolete provision related to tax forfeiture sales in 1926 and 1927.	Same.
	287.20, subd. 4 Definition of “documentary stamps,” which is obsolete because such stamps are no longer used to verify that deed tax has been paid on recorded conveyances.	Same.
	287.27, subd. 2 Authorization for use of tax meter machines to affix documentary stamps. Counties no longer use either tax meter machines or documentary	Same.

Sec.	Article 8: Unsession		Article 7: Unsession	
		stamps.		
	289A.56, subd. 7	Biotechnology and health science industry zone refund authority.		Same, except Senate effective date is January 1, 2016.
	290.01, subd. 4b	Definition of “mutual property and casualty insurance company,” which is no longer used in Chapter 290 since its reference was repealed from section 290.05 in 2001.		Same.
	290.01, subd. 19e	Obsolete depreciation modifications for corporations.		Same.
	290.01, subd. 20e	Modification in computing taxable income of the estate of a decedent that duplicates provisions in 290.01, subd. 19, and 291.03, subd. 1a.		Same.
	290.06, subd. 30	Biotechnology and health science industry zone – job credit effective for taxable years beginning after Dec 31, 2013.		Same, except Senate effective date is January 1, 2016.
	290.06, subd. 31	Biotechnology and health science industry zones – research credit effective for taxable years beginning after Dec 31, 2013.		Same, except Senate effective date is January 1, 2016.
	290.0674, subd. 3	K-12 education credit reduced by AMT liability.		Same.
	290.191, subd. 4	Single sales apportionment by mail order sales companies – this is obsolete (as of tax year 2014), since single sales apportionment applies to all businesses.		No comparable provision.
	290.33	Obsolete law outlining administration of a tax imposed in the middle of a calendar year. DOR no longer relies on this law; instead, each law change is enacted with an appropriate effective date.		Same.
	290C.02, subds. 5 and 9 and 290C.06	Calculation of average estimated market value (EMV) of class 2c land under the Sustainable Forest Incentive Act (SFIA) program – this calculation is obsolete, since the SFIA payment is now a flat amount per acre and is unaffected by the EMV of class 2c land.		No comparable provision.
	295.52, subd. 7	Temporary tax rate reduction of the MinnesotaCare tax for the years 1998 to 2003.		Same.
	297A.666	Streamlined Sales and Use Tax Agreement amnesty provision for remote sellers who voluntary agree to register and collect sales tax		No comparable provision.
	297A.68, subd. 38	Biotechnology and health science industry zone sales tax exemption.		Same, except Senate effective date is January 1, 2016.
	297A.71,	Sales tax exemptions for projects		Same, except Senate does not repeal subds. 9 or

Sec.	Article 8: Unsession		Article 7: Unsession	
	subds. 4, 5, 7, 9, 10, 17, 18, 20, 32, and 41	that have been completed, expired, or both.	41.	
	297F.08, subd. 11	Cigarette tax provision relating to railroad sleeping car companies as distributors. According to DOR, there are no licensed distributors who identify themselves as railroad sleeping car companies.	Same.	
	297H.10, subd. 2	Solid waste management tax penalty for failure to file, which replicates language in subd. 1.	Same.	
	469.174, subd. 10c	Definition of compact development TIF districts – the authority to establish these districts expired in 2012.	Same.	
	469.175, subd. 2b	Sunset of compact development TIF district authority.	Same.	
	469.176, subd. 1i	Permitted use of increments for compact development TIF districts.	Same.	
	469.1764	Pre-1982 TIF districts – these districts have now all been decertified; any remaining increments would be required to be returned.	Same.	
	469.177, subd. 10	Distribution of TIF revenues generated by referendum levies to school districts – this provision is obsolete since all of these operating referenda levies are now spread on market value, which do not generate tax increment.	Same.	
	469.330	Biotechnology and health science industry zones definitions – these zones have not received state funding for their tax incentives since the FY 2004-05 biennium.	Same, except Senate effective date is January 1, 2016.	
	469.331	Biotechnology and health science industry zones development plan.	Same, except Senate effective date is January 1, 2016.	
	469.332	Biotechnology and health science industry zone limits.	Same, except Senate effective date is January 1, 2016.	
	469.333	Biotechnology and health science industry zones application for designation.	Same, except Senate effective date is January 1, 2016.	
	469.334	Biotechnology and health science industry zones designation of zones.	Same, except Senate effective date is January 1, 2016.	
	469.335	Biotechnology and health science industry zone application for tax benefits.	Same, except Senate effective date is January 1, 2016.	
	469.336	Biotechnology and health science industry zone tax incentives.	Same, except Senate effective date is January 1, 2016.	
	469.337	Biotechnology and health science industry zone corporate franchise tax exemption.	Same, except Senate effective date is January 1, 2016.	

Sec.	Article 8: Unsession		Article 7: Unsession	
	469.338	Biotechnology and health science industry zone jobs credit.	Same, except Senate effective date is January 1, 2016.	
	469.339	Biotechnology and health science industry zone research credit.	Same, except Senate effective date is January 1, 2016.	
	469.340, subds. 1, 2, 3, 4 and 5	Biotechnology and health science industry zones – zone performance; remedies.	Same, except Senate effective date is January 1, 2016, for subds. 1, 2, 3, and 5. Subd. 4 effective date after increments returned by December 31, 2014.	
	469.341	Biotechnology and health science industry zones – zone performance; remedies.	Same, except Senate effective date is January 1, 2016.	
	477A.0124, subds. 1 and 6	Calendar year 2004, 2011, and 2012 county program aid distributions.	Same.	
	505.173	Authority to correct plats that expired in 1953.	Same.	
	Laws 1993, ch. 375, art. 9, § 47	Authorization for the city of Garrison to impose a local, general sales tax; this authority was never used.	No comparable provision.	
	M.R. 8002.0200, subp. 8	Individual net operating loss rule made obsolete as a result of numerous law changes since the rule was promulgated in the 1970's.	Same.	
	M.R. 8100.0800	Phase-in of utility property valuation changes that is fully accomplished.	Same.	
	M.R. 8130.7500, subp. 7	Provisions related to microfilm reproductions of records, which are no longer used.	Same.	
	M.R. 8130.8900, subp. 3	Telegraphic orders made by florists and nurseries.	Same.	
	M.R. 8130.9500, subps. 1, 1a, 2, 3, 4, and 5	Aircraft registration made obsolete since aircraft are now registered through the Office of Aeronautics, Department of Transportation.	Same.	
	M.R. part 8007.0200	Rule relating to changes in accounting methods, which is obsolete because income taxpayers must use the same accounting periods for Minnesota purposes as used for federal purposes.	Same.	

Sec.	Article 9: DOR – Technical and Policy Property Tax Provisions	Article 8: DOR Policy and Technical: Property
1	<b>Clerical corrections on state assessed values.</b> Allows the commissioner to make clerical corrections to state assessed values until December 31 of the assessment year. Effective the day following final enactment.	<b>Section 1.</b> Same
2	<b>Clerical corrections on wind energy production.</b> Allows the commissioner to make clerical corrections relating to Wind Energy Production amounts up until December 31 of the year. Effective the day following final enactment.	<b>Section 2.</b> Same
3	<b>Clerical corrections.</b> Allows county assessors to make clerical corrections relating to personal as well as real property valuations. Effective the day following final enactment.	<b>Section 3.</b> Same
	No comparable provision.	<b>Section 4. Classification rates; class 1.</b> Makes technical change that clarifies the classification rate of class 1d.
	No comparable provision.	<b>Section 5. Classification rates; class 4.</b> Makes technical change that clarifies the classification rate of class 4bb and 4c.
4	<b>School district adjusted net tax capacity reporting deadline.</b> Changes the deadline for the Department of Revenue to file its annual adjusted net tax capacity report from June 15 to June 30. Effective January 1, 2014.	<b>Section 6.</b> Same
5	<b>Clerical corrections on pipeline values.</b> Allows the commissioner to make clerical corrections to state assessed pipeline values until December 31 of the assessment year. Effective the day following final enactment.	<b>Section 7.</b> Same.
6	<b>Clerical corrections on transmission line values.</b> Allows the commissioner to make clerical corrections to transmission line values until December 31 of the assessment year. Effective the day following final enactment.	<b>Section 8.</b> Same.
7	<b>Clerical corrections on state assessed values.</b> Allows the commissioner to make clerical corrections to state assessed values until December 31 of the assessment year. Effective the day following final enactment.	<b>Section 9.</b> Same.
8	<b>Local Board of Appeal and Equalization (LBAE) meeting places.</b> Allows LBAEs to meet at a central location within the county or at the office of the town or city clerk. Current law requires the meetings be held at the office of the clerk. Effective the day following final enactment.	<b>Section 10.</b> Same.
9	<b>Certification and training dates for Local Boards of Appeals and Equalization (LBAEs).</b> Changes the date by which the LBAEs must provide proof that they have complied with training requirements from December 1 to February 15. Also changes the deadline from December 1 to February 15 for local boards whose powers are transferred to the county to file the required resolutions and proofs of compliance with training requirements to the county assessor in order to have their powers restored. Effective beginning with LBAE meetings held after December 31, 2014.	<b>Section 11.</b> Same.
10	<b>Sustainable Forest Incentive Act (SFIA)–</b>	No comparable provision.

Sec.	Article 9: DOR – Technical and Policy Property Tax Provisions	Article 8: DOR Policy and Technical: Property
	<b>managed forest land.</b> Clarifies that land classified as 2c, managed forest land, cannot be enrolled in the SFIA program. Effective for certifications and applications due in 2014 and thereafter.	
11	<b>Amortization aid reference.</b> Corrects an internal reference to a repealed subdivision by providing the appropriate subdivision. Effective retroactively from June 1, 2013, the date that section 423A.02, subd. 1, became effective.	<b>Section 12.</b> Same.
12	<b>Payments in Lieu of Tax (PILT) calculations.</b> Corrects payments for wildlife management land to use the same formula as other payments in lieu of tax for other land. Effective July 1, 2014.  No comparable provision.	<b>Article 1, section 19.</b> Same – regarding payments on wildlife management lands.  Section 19 also includes language relating to ditch assessments.
13	<b>Payments in Lieu of Tax (PILT) calculations.</b> Clarifies that a township with qualifying land receives ten percent of the payment a county receives for the land in that township. Effective July 1, 2014.	<b>Section 13.</b> Same.
14	<b>Revisor’s instruction.</b> Instructs the Revisor to replace the term “class rate” with the term “classification rate” wherever it appears in statute.	<b>Section 14.</b> Same.
15	<b>Repealer. Sustainable Forest Incentive Act (SFIA) payment calculation.</b> Repeals sections that contain an obsolete formula for SFIA payments. Also repeals an unnecessary definition for the term “class rate.” Effective the day following final enactment.	No comparable provision.

Sec.	Article 10: DOR – Technical and Policy Income, Sales, and Misc. Tax Provisions	Article 9: Technical and Policy Income and Franchise; Sales and Use
1	<p><b>Procedure to request abatement.</b> Clarifies that taxpayers requesting abatement of penalties may at the same time request abatement of related interest and the additional tax charge. Under current law the commissioner may abate all these items. Effective the day following final enactment.</p>	<p><b>Sec. 1.</b> Same.</p>
2	<p><b>Limitations period for assessment.</b> Extends the time period in which the commissioner may make a personal liability assessment to within one year of a final administrative or judicial determination of the underlying business tax. Current law limits the commissioner to make a personal liability assessment within the prescribed period of limitations for assessing the underlying business tax, or within one year after the date of an order assessing the underlying tax, whichever period expires later, with the result that the personal liability assessment must be made before the final determination of the amount of the underlying business tax. Effective the day following final enactment.</p>	<p><b>Sec. 2.</b> Same.</p>
3	<p><b>Withholding tax return due dates.</b> Changes the due date of the fourth quarter withholding tax return from February 28 to January 31, or to February 10 if all withholding deposits for the quarter have been timely made. This change makes the state fourth quarter withholding tax due date the same as the federal due date. Effective for returns due after January 1, 2016.</p> <p>Also relieves some seasonal employers from having to file withholding tax returns for periods of anticipated inactivity, unless they pay wages during that period. Effective for wages paid after December 31, 2015.</p>	<p><b>Sec. 3.</b> Same.</p>
4	<p><b>Determination of sales factor; corporate apportionment.</b> Strikes a reference in the sales factor to sales of tangible personal property made within this state that limited it to taxpayers with nexus in Minnesota. Effective the day following final enactment. (Note: also in Article 8, Sec. 70)</p>	<p><b>Art. 7, Sec. 69.</b> Same.</p>
5	<p><b>Dyed fuel.</b> Clarifies that dyed biodiesel and dyed biodiesel blends are included in the definition of dyed fuel. Effective the day following final enactment.</p>	<p><b>Sec. 4.</b> Same.</p>
6	<p><b>Special revenue account appropriation.</b> Provides annual appropriation language for the amounts the commissioner of revenue is authorized to deduct as reimbursement of its indirect costs for administering the collection and remittance of the prepaid wireless E911 fee and the prepaid wireless telecommunications access Minnesota fee. Effective retroactively from January 1, 2014, the date that the fees took effect.</p>	<p><b>Sec. 5.</b> Same.</p>
7	<p><b>Contribution in aid of construction.</b> Retroactively amends the effective date for a provision enacted in Laws 2013, Chapter 143 that provided that payments to cooperative electric associations or public utilities as a contribution in aid of construction are not retail sales to be the day following final enactment (May 23, 2013), rather</p>	<p><b>Sec. 6.</b> Same.</p>

Sec.	Article 10: DOR – Technical and Policy Income, Sales, and Misc. Tax Provisions	Article 9: Technical and Policy Income and Franchise; Sales and Use
	than July 1, 2013.	
8	<p><b>Repealer.</b></p> <p><b>Florists and nurseries.</b> Repeals Minnesota Rules 8130.8900, subpart 3, to delete language regarding sourcing of telegraphic orders by florists and nurseries for sales tax purposes that is obsolete since sourcing rules for florists were added to the statutes in 2011. Effective the day following final enactment.</p> <p><b>Aircraft registration.</b> Repeals Minnesota Rule 8130.9500 in its entirety, as the reporting and registration requirements in the rule are obsolete. Aircrafts are now registered through the Office of Aeronautics, Department of Transportation, by using its aircraft registration application and procedures. Effective the day following final enactment.</p>	<p><b>Sec. 7.</b> Same.</p>