

File Number: H.F. 2336
Version: As introduced

Date: March 17, 2017

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Subject: Free electronic filing of individual income tax returns

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Provides for phased-in implementation of free electronic filing (e-filing) of individual income tax returns that meet income and household size requirements through the Department of Revenue's website for both individual taxpayers and preparers. The system would populate returns for taxpayers with wage and withholding data available to the commissioner from employer-filed W-2 statements.

Begins with a pilot program at three taxpayer assistance sites for tax year 2017 returns of taxpayers with income only from wages, fewer than five dependents, and federal adjusted gross income (FAGI) less than \$100,000 (\$200,000 for married joint filers).

For tax year 2018 returns the program would be available to all filers statewide with income only from wages, fewer than five dependents, and FAGI less than \$100,000 (\$200,000 for married joint filers).

For tax year 2019 returns the program would be extended to filers with income only from wages, social security benefits, interest, dividends, individual retirement account distributions and pensions, fewer than five dependents, and FAGI less than \$100,000 (\$200,000 for married joint filers).

Requires a series of reports to the legislature:

- ▶ In February 2018, on the pilot program, a summary of free e-filing offered in California and other states, and a timeline for implementing free e-filing in Minnesota for individuals and preparers to the same extent as offered in California.
- ▶ In August 2018, on final statistics for the pilot program and plans to implement statewide free e-filing in tax year 2018.
- ▶ In September of each year, beginning in 2019, on usage of the free e-filing system, and ways in which the system could be expanded, including draft legislation if necessary for system expansion.