

**Subject** Omnibus public finance; capital investment and taxes  
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**Overview**

Article 1 contains the appropriations of general obligation bond proceeds. Article 2 contains trunk highway bonding. Article 3 contains general fund appropriations. For details of these articles, see the spreadsheet by Andrew Lee, House Fiscal Analyst.

The remaining articles are summarized in the document.

Article 4: Appropriation Bonds ..... 1  
 Article 5: Miscellaneous ..... 3  
 Article 6: Property Taxes and Aids ..... 8  
 Article 7: Individual Income and Corporate Franchise Taxes ..... 10  
 Article 8: Sales and Use Taxes..... 11  
 Article 9: Partnership Audits..... 13  
 Article 10: Miscellaneous Tax Changes..... 16

**Article 4: Appropriation Bonds**

**Section Description: Article 4 – Appropriation Bonds**

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- 1 **Electric vehicle infrastructure appropriation bonds.**  
 Authorizes \$2,000,000 (net) in state appropriation bonds for the commissioner of administration to design, install, and equip electrical infrastructure and electric vehicle charging stations on state-owned property.

**Section Description: Article 4 – Appropriation Bonds**

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- 2 Public television equipment appropriation bonds.**  
Authorizes \$15,000,000 (net) in state appropriation bonds for the commissioner of administration for equipment grants to public stations under section 129D.15. Grants must be allocated two-sevenths to Twin Cities PBS, one-seventh to KSMQ public television in Austin, one-seventh to Pioneer public television in Granite Falls, one-seventh to Lakeland PBS in Bemidji, one-seventh to Prairie Public in Fargo/Moorhead, and one-seventh to WDSE public television in Duluth.
- 3 Response to releases appropriation bonds.**  
Authorizes \$30,400,000 (net) in state appropriation bonds for the commissioner of the Pollution Control Agency for removal and remedial actions under section 115B.17 and further subject to the conditions in chapter 115B to address risks to human health and the environment at the following sites: the Esko Groundwater Contamination Superfund site; the city of Duluth Dump #1 Superfund site; the Perham Arsenic site; and the Precision Plating State Superfund site (in Minneapolis).
- 4 Authorization (MHFA housing infrastructure bonds).**  
Allows housing infrastructure bonds to be used to finance acquisition and construction of multifamily rental housing for households at or below 50 percent of area median income, giving priority to requests for projects serving households at the lowest incomes.
- 5 Additional authorization (MHFA housing infrastructure bonds).**  
Authorizes \$100,000,000 in housing infrastructure bonds.
- 6 Additional appropriation (MHFA housing infrastructure bonds).**  
Provides for payment from the general fund for debt service on the housing infrastructure bonds, beginning in July 2022, through 2043.
- 7 Effective date.**  
Day after enactment.

## Article 5: Miscellaneous

### Section Description: Article 5 – Miscellaneous

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- 1 Negotiated sales authority.**  
Authorizes Minnesota Management and Budget to sell state bonds by a negotiated sales process. MMB was first given this as temporary authority in 2009. The authority was renewed a couple of times but expired June 30, 2018.
- 2 Duluth regional exchange.**  
Provides for the appropriation bonds authorized to remain available until December 31, 2027, notwithstanding the four-year limit under the cancellation statute.
- 3 Building efficiency revolving loan account.**  
Modifies the productivity loan account to be a building efficiency revolving loan account. The purpose is to make loans to finance agency projects that will result in either energy savings or other operating costs reductions for a state agency.
- 4 Award and repayment of building efficiency loans.**  
Provides that the committee making the loans are the commissioners of administration, management and budget, and pollution control. Agencies repay the loans within seven years.
- 5 Report (RFA).**  
Requires the Rural Finance Authority to report quarterly on the estimates of when funding for the authority's bond-funded programs may be exhausted.
- 6 Environmental grant and loan programs.**  
Establishes the sustainable communities and climate resiliency grant program for local governments to pay up to 75 percent of storm water infrastructure projects to mitigate flood risks and impacts of extreme weather events. A grant may not exceed \$4,000,000 per project.
- 7 Greater Minnesota child care facility capital grant program.**  
**Subd. 1. Purpose.** States the purpose of the new grant program is to enhance jobs, increase tax base, or create or expand economic development by providing the workforce child care facilities.  
**Subd. 2. Creation of accounts.** Establishes two grant accounts, one in the general fund and one in the bond proceeds fund. Appropriates money in both accounts to the commissioner of employment and economic development to make grants and provides that the money appropriated is available for four years.

**Section Description: Article 5 – Miscellaneous**

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**Subd. 3. Eligible applicants.** (a) Provides that cities, counties, school district, or joint powers board comprised of two or more of these entities are eligible to apply for a grant from either account.

(b) Provides that private child care providers may apply for a general fund grant.

(c) Requires applicants to be located outside the seven-county metropolitan area.

**Subd. 4. Local government authority.** Gives eligible local governments authority to own and operate child care facilities. Permits local governments to enter into lease or management agreements with licensed child care providers to operate in publicly owned facilities.

**Subd. 5. Eligible project.** Describes eligible projects and requires all projects to increase child care capacity in the community served by the provider, and to meet all state requirements for child care facilities or programs.

**Subd. 6. Grants.** (a) Provides that grants are for up to 50 percent of capital costs. Permits in-kind contributions, including those made before a grant is awarded to count towards nonstate match.

(b) Permits the commissioner to use regional organizations to distribute grants.

(c) Requires the commissioner to explain to legislators reasons if less than 50 percent of costs are granted.

**Subd. 7. Application; criteria.** Directs the commissioner to develop the forms and procedures for soliciting and reviewing applications. Lists minimum contents of an application.

**Subd. 8. Maximum grant amount.** \$500,000 per project; \$2 million in two years to an applicant for one or more projects in the same city or county.

**Subd. 9. Cancellation of grant; return of money.** Directs the commissioner to cancel a grant and to have the grantee return the money if the grantee is unable to proceed. The money goes back to the commissioner to make another grant. For grant money returned, the cancellation statute that applies to appropriations for capital projects begins to run in the year in which the grant money is returned.

**8 - 13 Maximum effort school loan program (MESL).**

Sections 8 to 13 modify the maximum effort school loan program to recognize that there are some loans that will never get repaid and converts them to grants.

**Section Description: Article 5 – Miscellaneous**

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In section 42, cancels the Nett Lake and Red Lake loans except for an amount equal to the amount the district would levy for the remainder of the loan period, resulting in a \$7,000 cost to the state's debt service fund in FY 2022-23 as loan repayments will decrease. Under current law, these districts get some debt service equalization aid that they end up repaying to the MESL fund. Because they will no longer be able to get debt service aid for these capital loans, the loan repayments will decrease, thus the transfer to the state's debt service fund decreases resulting in a general fund cost.

Amends debt service equalization aid to exclude the additional maximum effort levy from aid eligibility, this results in \$18,000 of general fund savings in FY 2021 and \$40,000 of general fund savings in FY 2022-2023.

Because the debt service equalization aid is a general fund savings if you subtract the cost due to the decreased loan repayments you get a net general fund impact for this proposal in FY 2022-2023 of -\$33,000.

Limits future capital loans to the portion of the approved amount districts are expected to repay over the 50 year term of the loan with the remaining balance being a state grant.

**14 Qualifications; accessibility grants (libraries).**

Increases the maximum grant amount for library accessibility grants from \$200,000 to \$450,000. The last time the amount was increased was in 2005, when it was increased from \$150,000 to \$200,000.

**15 - 19 Purpose (University of Minnesota – Clinical Research Facility financing).**

Sections 15 to 19 allow the University of Minnesota to refinance its existing debt for the biomedical science research facilities. The provisions then allow the state general fund appropriation to the University of Minnesota that pays debt service on 75 percent of the university bonds issued for the biomedical science research facilities also to be used to pay debt service on university bonds issued for the Clinical Research Facility (CRF). Design, land acquisition, site preparation, and preconstruction services for the CRF project are estimated to cost \$27 million and the university's request for state general obligation bond funding for two-thirds of that (\$18 million) was not included in the governor's bonding recommendations for 2020. The annual appropriation remains \$13.930 million.

**20 Promoting construction and renovation of public skate parks.**

Establishes a skate park construction and renovation grant program under the Minnesota Amateur Sports Commission.

**Section Description: Article 5 – Miscellaneous**

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**21 Scope of application; state capital funding.**

Extends the affirmative action plan and equal pay certificates of compliance requirements to a contract of any public entity using state general obligation bond proceeds for part or all of a capital project, including political subdivisions. The requirements apply to a capital project or discrete phase of a capital project that is appropriated bond proceeds on or after January 1, 2022.

Current state law requires certain businesses seeking to contract with the state to obtain a workforce certificate of compliance from the Minnesota Department of Human Rights before bidding on, responding to any requests for proposals, or executing any contracts or agreements for goods or services in excess of \$100,000.

**22 Scope (equal pay, certificates of compliance).**

Extends the equal pay certificate of compliance requirement to a contract of any public entity using state general obligation bond proceeds for part or all of a capital project, including political subdivisions. Applies to projects appropriated money on or after January 1, 2022.

Current state law requires certain state contractors to obtain equal pay certificates of compliance from the Minnesota Department of Human Rights before entering into a contract for goods or services valued at more than \$500,000.

**23 LRT liability limits.**

Current law provides liability limits for co-location of freight rail and the segment of an LRT line extension in which the project formally entered the engineering phase of the Federal Transit Administration's "New Starts" capital investment grant program between August 1, 2016, and December 31, 2016. This provision changes to February 1, 2017.

**24 Systemwide campus redevelopment, reuse, or demolition.**

Permits Cass County to transfer to the Walker Hackensack Akeley school district for school purposes, and for no consideration, the campus of the former Ah Gwah Ching Regional Treatment Center, notwithstanding the 2008 law which requires redevelopment or reuse of the property consistent with the 2003 redevelopment plan.

**25 Central Minnesota Regional Parks.**

Modifies the project description of the 2014 appropriation to Sartell and extends its availability to December 31, 2024.

**Section Description: Article 5 – Miscellaneous**

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- 26     **Richfield – 77<sup>th</sup> Street Underpass.**  
Extends the availability of the 2015 appropriation to December 31, 2024.
- 27     **Northeast Regional Corrections Center.**  
Extends the availability of the 2015 appropriation to December 31, 2024.
- 28     **Local road improvement fund grants.**  
Allows the 2017 appropriation for Anoka County’s interchange project near Columbus to be used for another related part of the project and extends the availability of the money to December 31, 2024.
- 29     **Rail grade separation on crude oil rail corridors.**  
Adds right-of-way acquisition to the 2017 appropriation for the Sturgeon Lake Road project in Red Wing and extends the availability of the money to December 31, 2024.
- 30     **Minneapolis Veterans Home truss bridge (2017 appropriation).**  
Allows money not needed for the bridge to be used for asset preservation and campus safety and security upgrades at veterans homes statewide. Extends its availability to December 31, 2024.
- 31     **Minnesota Museum of American Art.**  
Strikes language relating to state historic tax credits and extends the availability of the 2017 appropriation to December 31, 2024.
- 32     **Glensheen renewal.**  
Eliminates the match requirement for the project and modifies the purpose.
- 33     **2018 act.**  
Technical correction to a total.
- 34     **Hennepin County – Railroad Crossing Safety.**  
Modifies the 2018 project description.
- 35     **2018 act.**  
Technical correction to a total.
- 36     **Pipestone County – Dental Facility.**  
Exempts the 2018 project from the sustainable building guidelines.

**Section Description: Article 5 – Miscellaneous**

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- 37      **Minnesota Museum of American Art.**  
Extends the availability of the 2018 appropriation to December 31, 2024.
- 38      **St. Paul – Southeast Asian Language Job Training Facility.**  
Modifies and adds to the 2018 project description.
- 40      **Wabasha – National Eagle Center and Wabasha Riverfront Revitalization.**  
Modifies the 2018 appropriation to break into discrete elements.
- 41      **Debt service equalization aid.**  
Relates to the maximum effort school loan program changes.
- 42      **Red Lake and Net Lake capital loans.**  
Relates to the maximum effort school loans. Reduces the loan balances as of stated dates and forgives the balances.
- 43      **Repealer.**  
Repeals provisions related to the changes in the maximum effort school loan program.
- 44      **Effective date.**  
Day following final enactment.

## **Article 6: Property Taxes and Aids**

This article provides a number of changes relating to property taxes and aids to local governments. These changes include:

- exempting certain tribal-owned land;
- classifying short-term rental property as 4(b)1 residential nonhomestead;
- providing 2019 local government aid (LGA) penalty forgiveness for the cities of Roosevelt and Sargeant; and
- allowing the spouse of a deceased veteran a onetime transfer of the disabled veterans' homestead exclusion.



**Section Description: Article 6 – Property Taxes and Aids**

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**1 Referendum equalization levy.**

Increases the equalization factors for tier 1 and tier 2 referendum equalization levies. Provides an alternative calculation for tier 1 and tier 2 referendum equalization levies based on the district's adjusted pupil units (the sum of the resident and nonresident pupils being served by the district) rather than the district's resident pupil units.

Effective for school district revenue in fiscal year 2022 and thereafter.

**2 Certain property owned by an Indian tribe.**

Exempts from property taxes approximately 35 parcels owned by the Leech Lake Band of Ojibwe in Cass County. The parcels had been considered exempt as institutions of purely public charity, but have since had their applications denied because the tribe is not a 501(c)(3). This provision reestablishes the property tax exemptions for these parcels and provides for a refund of any taxes paid in 2020.

Effective retroactively from assessment year 2019.

**3 Class 4.**

Adds to the 4(b)1 property tax classification short-term rental properties containing less than four units that were rented for more than 14 days in the preceding year. Under this provision, homestead properties are not considered short-term rental properties. The 4(b)1 classification has a class rate of 1.25 percent, is not subject to the state general levy, and is subject to referendum market value (RMV) taxes.

Effective beginning with assessments in 2020.

**4 Homestead of veteran with a disability or family caregiver.**

Allows the spouse of a deceased veteran to transfer the disabled veterans' homestead exclusion to a new property, provided that the new property has a market value less than or equal to the value of the original property. The spouse would be limited to one such transfer.

Effective beginning with property taxes payable in 2021.

**5 2019 aid penalty forgiveness; city of Sargeant.**

Provides that the city of Sargeant will receive its withheld 2019 LGA payment of \$9,280 by August 31, 2020. However, the second half payment of the city's 2020 LGA will be withheld until one month after the state auditor certifies that the city has filed its financial reports for both calendar years 2018 and 2019, and if the reports for both years are not filed by December 1, 2020, it will lose its second half 2020 LGA payment instead.

**Section Description: Article 6 – Property Taxes and Aids**

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Effective the day following final enactment.

**6 2019 aid penalty forgiveness; city of Roosevelt.**

Provides that the city of Roosevelt will receive its withheld 2019 LGA payment of \$25,410 by August 30, 2020, provided the city is totally up to date on all its financial filings with the state auditor by that date. Its 2019 LGA payment was withheld because it did not file its calendar year 2018 financial reports in a timely fashion.

Effective the day following final enactment.

## **Article 7: Individual Income and Corporate Franchise Taxes**

Makes the following changes to income and corporate franchise taxes:

- eliminates the state add-back for the section 179 deduction for tax years beginning in 2020 and also retroactively, for property acquired in a like-kind exchange in tax years beginning in 2018;
- establishes a subtraction for volunteer driver reimbursements;
- makes the student loan credit refundable; and
- excludes student loans discharged due to death or disability in 2018 from state taxes.

**Section Description: Article 7 – Individual Income and Corporate Franchise Taxes**

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**1 Section 179 expensing; individuals, estates and trusts.**

Eliminates the state addition for the federal section 179 deduction and retroactively creates an exception to this addition for qualifying depreciable property. “Qualifying depreciable property” is defined as property acquired in a like-kind exchange in which the exchanged property did not qualify for a gain deferral due to the elimination of the deferral under the Tax Cuts and Jobs Act.

Effective for all section 179 property beginning in tax year 2020 and later. The provision for qualifying depreciable property is effective retroactively, for tax years beginning in the year the federal changes to gain deferral on like-kind exchanges were effective.

**2 Volunteer driver reimbursement (subtraction).**

Allows a subtraction for reimbursement paid by a charitable organization to a volunteer in excess of the federal charitable rate (14 cents/mile). The subtraction is limited to the reimbursement rate for businesses (currently 58 cents/mile).

**Section Description: Article 7 – Individual Income and Corporate Franchise Taxes**

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Effective for tax year 2020 and expires after tax year 2029.

**3 Section 179 expensing; corporations.**

Eliminates the state addition for the federal section 179 deduction and retroactively creates an exception to this addition for qualifying depreciable property. “Qualifying depreciable property” is defined as property acquired in a like-kind exchange in which the exchanged property did not qualify for a gain deferral due to the elimination of the deferral under the Tax Cuts and Jobs Act.

Effective for all section 179 property beginning in tax year 2020 and later. The provision for qualifying depreciable property is effective retroactively, for tax years beginning in the year the federal changes to gain deferral on like-kind exchanges were effective.

**4 Credit allowed; refundable; appropriation.**

Makes the student loan credit refundable, meaning a taxpayer who is eligible for a credit in excess of the taxpayer’s liability would receive the excess amount as a refund.

Effective for tax year 2021 and later.

**5 Special limited adjustment.**

Excludes student loans discharged due to death or disability in tax year 2018 from being subject to Minnesota’s individual income tax.

Effective retroactively for taxable years beginning after December 31, 2017, and before January 1, 2019.

**6 Section 179 expensing; subtractions.**

Clarifies that any subtraction taken for qualifying depreciable property now allowed to be fully expensed under sections 1 and 3 must be recomputed to take into the retroactive application of full expensing for that property.

Effective retroactively for tax years in which the like-kind exchange changes under the Tax Cuts and Jobs Act were effective for federal purposes.

## **Article 8: Sales and Use Taxes**

Makes the following changes to state sales taxes:

- fixes a sales tax exemption for sales made by student-run organizations needed because of a school accounting change;
- provides a number of refundable sales tax exemptions for constructions of public safety facilities in specific cities; and
- provides the Minnesota State High School League with flexibility in the use of up to a total of \$500,000 of revenues equivalent to forgone sales tax revenues on state high school league tournaments for school years 2019-2020 and 2020-2021.

**Section Description: Article 8 – Sales and Use Taxes**

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**1 Fund-raising sales by or for nonprofit groups.**

Corrects a problem caused by a change in school district accounting standards that occurred last year and reinstates the sales tax exemption on sales made by school-associated student groups even when the money is recorded as part of school district revenues, provided that (1) the sales are for fund-raising purposes of an elementary or secondary student organization for the purposes of funding extracurricular activities such as sports, arts, etc., and (2) the school district records the revenue separately and the money raised for a specific activity is spent on that activity.

Effective the day following final enactment.

**2 Construction; certain local government facilities.**

Expands the existing refundable sales tax exemption for construction materials and supplies and equipment incorporated into certain local government facilities as follows:

- extends the end date for the existing exemption for a fire station and police station in the city of Minnetonka from January 1, 2021, to January 1, 2022;
- adds a new fire station and emergency management center in the city of Maplewood for purchases made after September 30, 2020, and before April 1, 2023;
- adds a new police station in the city of Crystal for purchases made after December 31, 2020, and before January 1, 2024;
- adds a new fire station in the city of Buffalo for purchases made after April 30, 2020, and before November 1, 2021;
- adds a new fire station in the city of Grand Rapids for purchases made after July 31, 2020, and before August 1, 2022;
- adds a new fire station in the city of Bloomington for purchases made after December 31, 2020, and before January 1, 2023;
- adds a fire station in the city of St. Peter for purchases made after June 30, 2020, and before March 1, 2022;

**Section Description: Article 8 – Sales and Use Taxes**

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- adds a new fire station in the city of Plymouth for purchases made after January 1, 2021, and before March 31, 2023; and
- adds a new public safety facility in the city of Virginia for purchases made after May 1, 2020 and before May 1, 2022.

**3 State high school league; funding flexibility.**

The Minnesota State High School League (MSHSL) currently has a sales tax exemption for all admissions to regional and state tournaments and events provided an amount equal to the foregone revenues is transferred to a nonprofit for use in supporting extracurricular activities and scholarships. This provision allows the MSHSL to not transfer up to a total of \$500,000 of the revenue over a two year period, provided that the retained revenue is used for MSHSL operations.

Effective the day after final enactment and applies retroactively to sales tax savings in the 2019–2020 and 2020-2021 school years.

## **Article 9: Partnership Audits**

This article modifies Minnesota’s reporting and payment requirements generated by federal audits and assessments in response to federal changes enacted in 2015. The federal changes provided for conducting audits at the partnership, rather than the partner, level.

The article would require state reporting of federal adjustments from a partnership-level audit and would allow assessments to be paid at the entity level.

**Section Description: Article 9 – Partnership Audits**

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**1 Enforcement, administrative order; penalties; cease and desist.**

Conforming changes and cross-references added due to the changes made by section 9.

Effective retroactively for tax year 2018 or earlier tax periods.

**2 Individual income, fiduciary income, mining company; corporate franchise, and entertainment taxes.**

Conforming changes and cross-references added due to the changes made by section 9.

Effective retroactively for tax year 2018 or earlier tax periods.

**Section Description: Article 9 – Partnership Audits**

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- 3 Erroneous refunds.**  
Conforming changes and cross-references added due to the changes made by section 9.  
  
Effective retroactively for tax year 2018 or earlier tax periods.
- 4 Federal tax changes.**  
Conforming changes and cross-references added due to the changes made by section 9.  
  
Effective retroactively for tax year 2018 or earlier tax periods.
- 5 Failure to report change or correction of federal return.**  
Conforming changes and cross-references added due to the changes made by section 9.  
  
Effective retroactively for tax year 2018 or earlier tax periods.
- 6 Report made of change or correction of federal return.**  
Conforming changes and cross-references added due to the changes made by section 9. In addition, this section allows a taxpayer to make an estimated payment of tax due to a pending IRS audit.
- 7 Incorrect determination of federal adjusted gross income.**  
Conforming changes and cross-references added due to the changes made by section 9.  
  
Effective retroactively for tax year 2018 or earlier tax periods.
- 8 Definitions; partnerships; federal adjustments.**  
Adds various definitions relating to the reporting of federal adjustments, and federal adjustments to partnership returns.  
  
Effective retroactively for tax year 2018 or earlier tax periods.
- 9 Reporting and payment requirements.**  
Provides for the reporting of federal adjustments following a partnership level audit by the IRS. By default, each partnership will be required to file a federal adjustments report related to federal changes, and submit the report to both Minnesota and its direct partners within 90 days. Each partnership reporting changes must also file

**Section Description: Article 9 – Partnership Audits**

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amended composite and withholding reports for nonresident partners within 180 days.

Each partnership reporting federal adjustments after a partnership level audit is also eligible to make an election to pay the additional tax due to Minnesota at the entity level. A partnership making the election is required to do so on a federal adjustments report filed with the commissioner within 90 days of the final determination date. A partnership making the election must be able to determine and report the residency status of all direct partners, and pay tax on the properly allocated and apportioned share of all income at the highest marginal rate for its individual and corporate direct and tiered partners.

Tiered partners (both direct and indirect) of an audited partnership are also subject to the reporting and payment requirements in this section and may also elect to pay their tax at the entity level.

Effective retroactively for tax year 2018 or earlier tax periods.

**10 Consent to extend statute.**

Conforming changes and cross-references added due to the changes made by section 9.

Effective retroactively for tax year 2018 or earlier tax periods.

**11 Penalty for failure to notify of federal change.**

Conforming changes and cross-references added due to the changes made by section 9.

Effective retroactively for tax year 2018 or earlier tax periods.

**12 Partners, not partnership, subject to tax.**

Conforming changes and cross-references added due to the changes made by section 9.

Effective retroactively for tax year 2018 or earlier tax periods.

**13 Time limit for bad debt refund.**

Conforming changes and cross-references added due to the changes made by section 9.

Effective retroactively for tax year 2018 or earlier tax periods.

**Section Description: Article 9 – Partnership Audits**

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- 14     **Time limit for a bad debt deduction.**  
Conforming changes and cross-references added due to the changes made by section 9.  
  
Effective retroactively for tax year 2018 or earlier tax periods.
- 15     **Repayment procedures.**  
Conforming changes and cross-references added due to the changes made by section 9.  
  
Effective retroactively for tax year 2018 or earlier tax periods.

## **Article 10: Miscellaneous Tax Changes**

This article includes various other tax provisions such as:

- reducing the rates of the combined net receipts tax on charitable gambling;
- modifying the star ratings threshold for licensed charitable gambling organizations; and
- expanding the workforce and affordable homeownership development program by adding loans in addition to grants.

**Section Description: Article 10 – Miscellaneous Tax Changes**

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- 1     **Combined net receipts tax.**  
Reduces the tax rates on the lawful gambling combined net receipts tax, which is imposed on the net receipts from the conduct of paper or electronic pull-tabs, electronic bingo, and tipboards. Also strikes obsolete language.  
  
Effective retroactively for games reported after June 30, 2020.
- 2     **Determination of revenue increase.**  
Modifies the lawful gambling base amount by an amount proportionate to the reduction in the combined net receipt tax rates. The change holds harmless the stadium general reserve account balance.  
  
Effective the day following final enactment.



**Section Description: Article 10 – Miscellaneous Tax Changes**

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- 3 Expenditure restrictions, requirements, and civil penalties.**  
Modifies the star rating thresholds for licensed charitable gambling organizations, which are evaluated every July 1 for the percentage of lawful purpose expenditures made compared to available gross profits.  
  
Effective retroactively to July 1, 2020.
- 4 Powers and duties.**  
Modifies the annual reporting requirement for the Gambling Control Board’s report to the governor and legislature to include a tabulation of the number of compliance reviews completed, the percentage of organizations reviewed, an average of the number of months between reviews, the number, location and organization of site inspections, and the number of allegations awaiting investigation by the board.  
  
Effective retroactively to July 1, 2020.
- 5 Workforce and affordable homeownership development program.**  
Expands the scope of the program to include loans, as well as grants. Beginning in fiscal year 2022, requires the commissioner of Minnesota Management and Budget to annually transfer by September 15, \$4 million of the revenue derived from the mortgage registry and deed taxes into a newly created account within the housing development fund. These transfers run through fiscal year 2031. Requires the repayment of loans to be repaid into the newly established account.  
  
Effective the day after final enactment.
- 6 Administrative appropriation.**  
Appropriates money to the commissioner of revenue for administrative costs associated with carrying out the duties prescribed by this act.  
  
Effective the day after final enactment.



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