

Subject Private letter rulings

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Overview

H.F. 912 would require the commissioner to establish a private letter ruling program that would provide specific tax guidance to taxpayers. Taxpayers could apply for a ruling and pay a fee to cover DOR's actual costs, up to an undetermined maximum amount. Rulings would not be precedential, but would be published on DOR's website, grouped by tax type. DOR would be required to file a legislative report on the program each biennium.

Summary

Section	Description
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1	Private letter rulings.
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Subd. 1. Program established. Requires the commissioner to establish a private letter ruling program, wherein taxpayers may receive guidance on the application of the state's tax laws under a certain, specific set of facts. Allows the commissioner to establish that rulings will not be issued relating to certain tax areas.

Subd. 2. Application procedure; fees. Requires the commissioner to establish procedures for taxpayers to make requests for private letter rulings. Allows the commissioner to establish a fee for the actual costs of the program, up to an undetermined maximum amount. The fee would be refunded to the taxpayer if a ruling is not issued within 90 days of a taxpayer filing a completed application. Fees are deposited in the Department of Revenue's service and recovery special revenue fund to offset the private letter ruling program's costs.

Subd. 3. Effect. Provides that a private letter ruling is binding on the commissioner if the facts or law relating to a certain request have not materially changed, and the taxpayer acted in good faith. Private letter rulings are not precedential and may only be relied on by the taxpayer receiving a ruling.

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Subd. 4. Public access. Requires private letter rulings to be available publicly, by tax type, but redacted to protect taxpayer privacy.

Subd. 5. Legislative report. Requires the commissioner to provide a legislative report each odd-numbered year that includes information on the number of applications, the number of timely and non-timely private letter rulings issued, the amount of refunded application fees, the tax types covered by the rulings, and the types and characteristics of the taxpayers requesting rulings.

Effective date: day following final enactment.



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