

I owe the Minnesota Department of Revenue. Now what?

This information sheet explains some of your rights during the collection process.

The Minnesota Department of Revenue is responsible for collecting taxes and other state debt. If you do not pay what you owe, we may take collection actions against you. The law provides you certain rights during these actions.

Collection Actions

We can take these actions any time you have late debt, regardless of your arrangements with us.

Lien

Description	Your rights
We may file a claim (lien) against your property that stops you from selling, transferring, or refinancing. A lien is: <ul style="list-style-type: none"> Recorded with the Secretary of State and/or the county. May show on your credit record for at least 7 years. 	<ul style="list-style-type: none"> If you feel a lien was filed incorrectly, you may request an “administrative review.” If the department does not release the lien within 30 days after the debt is paid in full, you may sue us.

Offset

Description	Your rights
We may take (offset) certain government payments to pay your debt, such as: <ul style="list-style-type: none"> Vendor or contractor payment State income tax or renters refunds Federal refunds or payments Wisconsin tax refunds 	<ul style="list-style-type: none"> We cannot take Social Security income, veterans benefits, or railroad retirement benefits. We must notify you 60 days before we begin taking any federal government payments. If you have evidence the debt is not past due or not legally collectible, you may request a review.

Enforced Collection Actions

If you do not contact us by the due date on the bill or “demand to pay” letter we sent you, we can take more aggressive steps to collect your debt. We call these “enforced collection actions.” The most common enforced collection actions are below.

Levy

Description	Your rights
We may take money from your bank account, wages, or other income.	You may ask us to reduce or stop a levy due to financial hardship. (See “How can I stop collection actions?” on the next page.)

License or Permit Revocation

Description	Your rights
We may cancel (revoke) or prevent renewal of your: <ul style="list-style-type: none">• Business license• Professional license• Sales tax permit	<ul style="list-style-type: none">• We must notify you 30 days before contacting the licensing authority.• You may ask for a hearing to stop the revocation. You must request this within 30 days of the notice we send you.

Seizure

Description	Your rights
We may take (seize) your property and sell it to pay off your debt.	You may request that we sell the property within 60 days.

Business Liability

Description	Your rights
<ul style="list-style-type: none">• If you are an officer or are responsible for filing returns or making tax payments for a business, you may be personally liable for the unpaid taxes.• If you purchase a business, you may be liable for its unpaid taxes. If you contact us at least 20 days before the final purchase, we can tell you if the business is delinquent on any taxes.	If we assess you as liable and you feel it is inaccurate, you may request a department administrative review of your case.

Liquor Posting

Description	Your rights
<ul style="list-style-type: none">• We will post your business on a list of delinquent taxpayers on our website if you have an active liquor license and are more than 10 days late filing or paying any business tax.• While your business is on this list, no wholesaler, manufacturer, or brewer may sell or deliver any product to you.	<ul style="list-style-type: none">• We must notify you at least 10 days before we place your business on the liquor posting list.• Once we receive payment in full with secured funds, and you notify us of payment, we must remove you from the list within two business days.

How can I stop all collection actions?

We will stop all collection actions when your debt is paid in full. For a payoff amount, contact us at 651-556-3003, 1-800-657-3909 (toll-free), or mdor.collection@state.mn.us.

Payment options

- **Pay electronically from your bank account.** Go to www.revenue.state.mn.us and type **make a payment** into the Search box or call our automated system at 1-800-570-3329. We do not charge you for this service.

- **Pay by credit card or debit card.** Go to www.paystatetax.com/MN or call 1-855-947-2966. Value Payment Systems processes these payments and charges you a fee for this service.
- **Pay by check or money order.** Include the enclosed voucher with your payment. Write the Letter ID on the memo line and mail your payment to the address on the voucher. The Letter ID is in the top right corner of this letter.
- **Pay by ACH credit transfer through your financial institution.** Go to www.revenue.state.mn.us and type **ACH Credit** into the Search box.

Payment Agreements

If you cannot pay your debt in full, you may call us at 651-556-3003 or 1-800-657-3909 (toll-free) to request a payment agreement. **Note:** If you have a liquor license, you cannot have a payment agreement unless you surrender your liquor license.

Financial Hardship

If you cannot afford a payment agreement, you may apply for a financial hardship. “Financial hardship” means you cannot provide basic necessities for you and your family. Examples include the inability to:

- Provide food
- Supply sufficient shelter
- Pay for utilities in your home
- Buy prescription medication
- Get critical medical treatment for yourself or an immediate family member

What if I disagree with a penalty amount?

The department may send you a Tax Order (notice) that has a penalty amount on it. You may ask us to reduce or cancel a penalty for filing or paying late. This is called "abatement" of the penalty. However, if you disagree with other penalties - besides those for filing or paying late - you will have to appeal the order. Appeal instructions are included with your order.

How do I ask for an abatement?

Send us a letter explaining in detail why you believe you have reasonable cause for filing or paying late. Your request must be postmarked within 60 days of the date of the order. Include a copy of the order with your letter.

If you are asking for an abatement and also appealing other aspects of an order, you may do both at the same time in an appeal to the Minnesota Department of Revenue. Mail your abatement letter to:

Appeals and Legal Services Division
 Mail Station 2220
 St. Paul, MN 55146-2220

What happens after I ask for an abatement?

We will consider your request and notify you of our decision.

- **If we agree** to reduce or cancel the penalty and interest on the penalty, you must still pay the taxes and interest on those taxes.
- **If we deny** your request for an abatement, you may appeal our denial. You cannot ask for an abatement again; if you still disagree with the penalty, you must file an appeal. The denial will tell you how to appeal.

Your rights as a taxpayer

At the Minnesota Department of Revenue, we're dedicated to upholding your rights as a taxpayer. For more information, go to www.revenue.state.mn.us and click on Taxpayer Rights at the bottom of the page, or contact the Taxpayer Rights Advocate.

You have the right to:

- Receive tax notices and bills that explain how much you owe in taxes, penalties, and interest -- and why.
- Know why we are asking for information and what will happen if you do not give it to us.
- Receive prompt, courteous, and correct answers to your questions.
- Expect that we will not disclose the information you give us, except as authorized by law.
- Have an accountant, attorney, or other adult represent you at any time.
- Record an in-person interview with a department employee if you notify us in advance.
- Buy a copy of our recording if we decide to record the in-person interview and you do not record it.
- Sue us for damages if any department employee recklessly or intentionally ignores the law while collecting your overdue taxes. However, if the court finds the lawsuit was frivolous or intended as a delaying action, the court will fine you.

You may contact the Taxpayer Rights Advocate

As hard as we try to resolve disputes with taxpayers, we cannot always do that. In that case, you may contact the Taxpayer Rights Advocate at 651-556-6013, 1-855-452-0767 (toll-free), or dor.tra@state.mn.us.