

2010 SUPPLEMENTAL LEGISLATIVE BULLETIN

(2010 Regular and First Special Session)

MINNESOTA • REVENUE

Appeals and Legal Services Division
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Saint Paul, Minnesota 55146-2220

Bulletin Date: August 16, 2010

Unless otherwise noted, the following items were inadvertently omitted from previous 2010 legislative bulletins.

Individual Income Tax

Political contribution refund temporarily discontinued. The political contribution refund under Minn. Stat. § 290.06, subd. 23, is temporarily discontinued for contributions made after June 30, 2009, and before July 1, 2011. 2010 Minn. Laws, First Special Session, Chapter 1, Article 13, Section 4, Subdivision 1. The ending effective date was incorrectly listed as July 11, 2011 in the previous bulletin.

Federal update overview correction. The only change not being adopted is one that allows individuals, estates and trusts the ability to carry back net operating losses generated in 2008 and 2009 for 3, 4, or 5 years. The year 2008 was excluded in the previous bulletin.

Miscellaneous

Secretary of State's filing requirements for tax liens clarified. Minn. Stat. § 5.15 is amended to add new language stating that documents filed under Minn. Stat. ch. 270 may be signed by any person who is acting as an agent for a person whose signature is required by law, as long as the document indicates that they have been authorized by that person to sign the document. This does not affect any tax liens currently on file, because the signature format for the liens already reads "Commissioner of Revenue, by _____." Effective August 1, 2010. 2010 Minn. Laws, Chapter 250, Article 2, Section 1.

New procedure for action to compel compliance with the data practices act. Minn. Stat. § 13.085 is enacted authorizing an action to compel a government entity to comply with the Minnesota Government Data Practices Act to be brought in the Office of Administrative Hearings, instead of having to initiate the action in court. A \$1,000 filing fee or a bond in that amount is required in order for someone to utilize this remedy. Effective for actions commenced on or after July 1, 2010. 2010 Minn. Laws, Chapter 297.

Open Meeting Law. A technical change was made to Minn. Stat. § 13D.05, subd. 3, dealing with when a public body (such as the State Board of Assessors) may close a meeting by adding the word "protected" before the word "nonpublic" so that the reference to Minn. Stat. § 13.44, subd. 3, refers to protected nonpublic appraisal data the same way it is referred to in that statute. Effective August 1, 2010. 2010 Minn. Laws, Chapter 365, Article 1, Section 8.

Regulation of Tax Preparation Services. Minn. Stat. § 270C.445, subd. 7, was amended to make a grammatical change. 2010 Minn. Laws, Chapter 382, Section 56 (was listed in a previous bulletin as Section 55). Effective August 1, 2010.

Exemption from licensure. Minn. Stat. § 332.3351 is a new provision for exemption from licensure for certain out of state collection agencies. The criteria for exemption include the collection agency being licensed and regulated in a state which provides an exemption similar to that of this section, activities are limited to collection of debts incurred outside of Minnesota, and the collection activities are conducted through interstate communications. Effective January 1, 2011. 2010 Minn. Laws, Chapter 384, Section 93.

Reduction from tax system management program. A reduction in the amount of \$924,000 for FY 2010 and a reduction in the amount of \$950,000 for FY 2011 is enacted. The FY 2010 reduction is effective May 22, 2010, and the FY 2011 is effective July 1, 2010. 2010 Minn. Laws, First Special Session, Chapter 1, Article 12, Sections 2 and 7. The effective date for the FY 2010 reduction was incorrectly listed as July 1, 2010, in the previous bulletin.

Bond. Minn. Stat. § 332.34 was amended to increase the amount of the corporate surety bond required for licensed collection agencies from “at least \$20,000” to \$50,000 plus \$5,000 increments based on the previous year volume of collections from Minnesota debtors less commissions, not to exceed \$100,000. Effective for bonds obtained or renewed after January 1, 2011. 2010 Minn. Laws, Chapter 384, Section 94.

Police and Fire Aids

Fire aid eligibility. Amends Minn. Stat. § 69.051, subd. 3, to allow municipalities that have an organized fire department and that provide retirement coverage to its firefighters through the voluntary firefighter retirement fund, to have fire state aid transmitted to and retained in the statewide lump-sum volunteer firefighter retirement fund without filing the financial reports required under prior law, if the executive director of the Public Employees Retirement Association certifies compliance with alternative requirements. Effective retroactively from January 1, 2010. 2010 Minn. Laws, Chapter 359.

Police aid and excess police aid. Amends Minn. Stat. §§ 69.011, subd. 1; 69.021, subd. 10, and 69.031, subd. 5; and repeals Minn. Stat. § 69.011, subd. 2a. These amendments: (i) eliminate the restriction that the Metropolitan Airports Commission apply for police state aid only for its employees that are covered under Minn. Stat. ch. 422A, and that it annually forward a portion of its police state aid to the fund under that plan; and (ii) eliminate the associated requirement that the Commission allocate a portion of its police aid to excess police aid on account of those transfers. Also, a technical, spelling change is made in a provision relating to the city of Rosemount. Effective July 1, 2010 (the repealer is effective June 30, 2010). 2010 Minn. Laws, Chapter 359.

Reallocation of amortization or supplementary amortization aid. Amends Minn. Stat. § 423A.02, subd. 3, to change how the Teachers Retirement Association, the Duluth Teachers Retirement Fund Association, and the St. Paul Teachers Retirement Fund Association are to treat the reallocation amortization or supplementary amortization aid payments after receipt. Effective May 16, 2010. 2010 Minn. Laws, Chapter 359.

Minerals Taxes

Production tax distribution, school districts. Amends Minn. Stat. § 298.28, subd. 4, to provide that funds must be transferred from the taconite property tax relief account (Minn. Stat. § 298.28, subd. 6) to make the distributions required by Minn. Stat. § 298.28, subd. 4(c), if there are

insufficient proceeds otherwise to make the distribution. Effective beginning with distributions made in 2010. 2010 Minn. Laws, Chapter 216, Section 19.

Corporate Franchise Tax and Sales and Use Taxes

Delayed payment of sales and corporate franchise tax refunds. The commissioner of revenue is directed to delay the payment of a sufficient number of sales and corporate franchise tax refunds so that \$152,000,000 that would otherwise be paid during fiscal year 2011 is not paid until fiscal year 2012. This amount is in addition to the amount that the commissioner delays pursuant to administrative actions undertaken in connection with the unallotment announced in June 2009. The commissioner is also directed to minimize the amount of interest payable, where possible and administer this section to create the least adverse effect on tax administration and taxpayer compliance. The information in the previous bulletins had incorrect numbers attributed to refunds being held. Effective July 1, 2010. 2010 Minn. Laws, First Special Session, Chapter 1, Article 13, Section 6.