

2011 SPECIAL TAXES LEGISLATIVE BULLETIN
(2011 Regular Session)

MINNESOTA • REVENUE

Appeals and Legal Services Division
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Unless otherwise noted, the provisions discussed in this bulletin can be found in 2011 Minn. Laws, Chapter 112.

Mortgage and Deed

Mortgage registry tax, mortgage supplements. Minn. Stat. § 287.05, subd. 2, was amended to clarify that an existing mortgage is taxable to the extent that it is modified to secure new funds advanced to the debtor, on which the tax has not been paid even though the new outstanding amount of debt does not exceed the amount previously secured by the mortgage. Occasionally, taxpayers have argued this new debt is not subject to tax even though it is taxable debt on which the tax has not been paid. This does not apply to line-of-credit mortgages for which there is an existing allowance in statute. Effective June 1, 2011.

Liquor

Liquor gross receipts tax administration. Minn. Stat. § 295.75, subd. 9, was amended to replace an obsolete reference to Minn. Stat. ch. 270 with a reference instead to Minn. Stat. ch. 270C. Effective August 1, 2011. 2011 Minn. Laws, Chapter 76, Article 1, Section 44.

Petroleum

Petroleum tax – debt service surcharge. The following 4 amendments relate to the petroleum tax debt service surcharge.

Apportionment. Minn. Stat. § 296A.083 was amended by adding a new subdivision 4, to clarify that the surcharge under this section is subject to the apportionment provisions of Minn. Stat. § 296A.18. Effective June 1, 2011.

Computation of non-highway use amounts. Minn. Stat. § 296A.18 was amended by creating a new subdivision 6a to clarify the computation and transfer of non-highway use amounts, and including penalty and interest provisions from the now repealed subdivision 9. Effective June 1, 2011.

Forest road. Minn. Stat. § 296A.18, subd. 7, was amended by including language regarding interest and penalties, formerly in the now repealed subdivision 9. Effective June 1, 2011.

Repealer. Minn. Stat. § 296A.18, subd. 9, was repealed as obsolete, since its penalty and interest language was included in the new subdivision 6a and in subdivision 7. Effective June 1, 2011.

Insurance

Taxpayer. Minn. Stat. § 297I.01, subd. 16, was amended to delete an obsolete reference to automobile risk self-insurer in the definition of taxpayer for insurance premium taxes. Effective August 1, 2011. 2011 Minn. Laws, Chapter 76, Article 1, Section 45.

Federal Employees Health Benefits Act. Minn. Stat. § 297I.15 was amended to add a new subdivision 12, which excludes payments from the Federal Employees Health Benefits Program from taxes and surcharges that are imposed under Minn. Stat. ch. 297I. Effective June 1, 2011.

Minerals/Mining

Production tax school district distributions. Minn. Stat. § 298.28, subd. 2, was amended to clarify that overages in all taconite school district overages are distributed to cities and townships located within the school district. Effective June 1, 2011.