

2013 MISCELLANEOUS LEGISLATIVE BULLETIN
(2013 Regular Session)

MINNESOTA REVENUE

Appeals and Legal Services Division
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Bulletin Date: May 31, 2013

Unless otherwise noted, the provisions discussed in this bulletin can be found in 2013 Minn. Laws, Chapter 142.

DATA PRACTICES

Notification to Legislative Auditor of unauthorized access to data. Minn. Stat. § 3.971 was amended to require that heads of entities subject to OLA review notify the legislative auditor after obtaining information that not public data has been accessed or used unlawfully. Effective May 23, 2013.

Notification list contact information. Under new statute Minn. Stat. § 13.356, certain data maintained by a government entity, including an individual's telephone number and email address, are classified as private when the data are collected from an individual subscribing to an entity's notification or electronic publication lists (e.g., snow emergency alerts or policy bulletins). Effective May 22, 2013, applies to data collected before, on, and after that date. Minn. Laws 2013, Chapter 82, Section 1.

Void warrants. Minn. Stat. § 16A.46 was amended to clarify that a holder of a void warrant may not recover against the state. Effective May 24, 2013. Minn. Laws 2013, Chapter 143, Article 18, Section 1.

Healthcare Exchange Data Practices. Adds Minn. Stat. § 62V.06, which specifies that the healthcare exchange (MNSure) is subject to the Data Practices Act and classifies data collected or maintained by MNSure, including data on individuals, employees, and employers participating in the exchange, and the permitted use of the data. MNSure may share data only for the listed purposes; and, until July 1, 2014, other state agencies (including Revenue) may be required, under certain circumstances, to share data with MNSure to verify a participant's identity, determine eligibility, process premiums, and investigate fraud. MNSure and other agencies may only exchange data pursuant to a data-sharing agreement. This section requires that MNSure provide a Tennessee warning prior to collecting private data. Additionally, only certain authorized individuals may access data maintained by MNSure, and the agency must maintain a data access audit trail. MNSure is prohibited from selling any data it collects or maintains. Effective March 21, 2013. Minn. Laws 2013, Chapter 9, Section 8.

New taxes subject to taxpayer data protections. The list of statutes defined as "Minnesota tax laws" in Minn. Stat. § 270B.01, subd. 8, was expanded to include:

- Chapter 292 (gift taxes). Effective for gifts made after December 31, 2012. Minn. Laws 2013, Chapter 143, Article 7, Section 1.
- Chapter 403 (fee for prepaid wireless telecommunications services).

Effective January 1, 2014. Minn. Laws 2013, Chapter 143, Article 13, Section 5.

Gift tax data subject. A new paragraph Minn. Stat. § 270B.03, subd. 1(9), provides that a donor required to file a gift tax return is the data subject who may inspect that return. Effective May 23, 2013. Minn. Laws 2013, Chapter 143, Article 7, section 2.

Data sharing with Public Safety. Minn. Stat. § 270B.12, subd. 4 was amended to allow the Commissioner of Revenue to disclose return information to the Department of Public Safety to administer the fee for prepaid wireless telecommunications services. Effective January 1, 2014. Minn. Laws 2013, Chapter 143, Article 13, Section 6.

Multistate Tax Commission. Minn. Stat. § 270C.03, subd. 1(9) was added to provide that for purposes of taxpayer data protection and disclosure chapter 270B, the MTC is deemed a state, so as to allow the Department to participate in MTC corporate sales, excise, and income tax audits. Effective May 23, 2013. Minn. Laws 2013, Chapter 143, Article 13, section 7.

Property tax Homestead application data. The last paragraph of Minn. Stat. § 273.124, subd. 13(c) was removed, changed, and moved to the new § 273.1245. Under the new provision, Social Security numbers, state and federal income tax returns, and related information are private data when submitted to a county or local assessor to support a claim for homestead classification or other property tax classification or benefit. Effective May 22, 2013. Minn. Laws 2013, Chapter 82, Sections 20-21.

MISCELLANEOUS

Biennial report of incidence of taxes. Minn. Stat. § 270C.13, subd. 1, was amended to eliminate the inclusion of information on the distribution of the federal income taxes borne by Minnesota residents in the commissioner's biennial report to the legislature on the overall incidence of the state's income, sales, and property taxes. Effective February 21, 2013. 2013 Minn. Laws, Chapter 3, Section 2.

Notice by electronic means. Minn. Stat. § 270C.38, subd. 1, was amended to provide that notice of determinations and actions of the commissioner sent by electronic means is sufficient notice if the taxpayer or other person agrees to accept notice electronically. Effective May 24, 2013. Minn. Laws 2013, Chapter 143, Article 18, Section 2.

Uniform interest on penalties. The following sections of statute were amended to provide a single, uniform statement of the rule regarding when interest on penalties accrues. These sections adopt a single rule that interest accrues on a penalty from the date it is assessable. The statutes are: Minn. Stat. §§ 270C.42, subd. 2; 287.385 subd. 7; 289A.55, subd. 9; 289A.60, subd. 4; 296A.22, subds. 1 and 3; 297B.11; 297E.14, subd. 7; 297F.09, subd. 9; 297F.18, subd. 7; 297G.09, subd. 8; 297G.17, subd. 7; 297I.80, subd. 1; 469.319, subd. 4; and 469.340, subd. 4. Effective May 24, 2013. Minn. Laws, Chapter 143, Article 18, Sections 3-5 and 16-26.

Electronic wage levy disclosures and payments. Minn. Stat. §270C.69, subd. 1, was amended to require that all wage levy disclosure forms be filed by electronic means and to require that all wage levy payments be made by electronic means. Effective for wage levy disclosures filed and wage levy payments made after December 31, 2013.

Postmark date. Subdivision 2a was added to Minn. Stat. § 271.06 to provide that when delivered by the United States Postal Service and received by the Minnesota Tax Court after the time allowed for appeal, an appeal from a Commissioner's order is timely if the postmark is within the time allowed for appeal. Only a postmark of the United States Postal Service or a delivery services designed by the Internal Revenue Service may be relied on. A postmark made by a private postage meter may not be relied on and must be received by the Minnesota Tax Court within the time allowed for appeal. Effective for filings delivered by the United States Postal Service with a postmark date after August 1, 2013.

Continuous electronic payment requirement. Various statutes are amended to require that when a business exceeds the current threshold requiring it to make electronic payments, that the business must make electronic payments in all subsequent years.

These changes apply to:

- withholding taxes (§ 289A20, subd. 2),
- sales and use taxes (§ 289A20, subd. 4),
- corporate taxes (§ 289A26, subd. 2a),
- MinnesotaCare taxes (§ 295.55, subd. 4),
- cigarette and tobacco products taxes (§ 297F.09, subd. 7),
- liquor taxes (§ 297G.09, subd. 6),
- insurance taxes (§ 297I.35, subd. 2), and
- metropolitan solid waste landfill fee (§ 473.843, subd. 3).

Effective for the fiscal year ending June 30, 2013 and all fiscal years thereafter.

Unemployment insurance employer tax reduction: Reduces the base tax rate for unemployment insurance employer tax for calendar year 2014 to 0.1 percent if, on September 30, 2013, the balance in the unemployment trust fund is more than \$800,000,000. The base rate is to remain at 0.1 percent for calendar year 2015 if, on September 30, 2014, the balance in the unemployment trust fund is more than \$900,000,000. The section expires December 31, 2015. Minn. Laws 2013, Chapter 85.

Minnesota sunset act. Chapter 3D, the Minnesota Sunset Advisory Commission, is repealed in its entirety and all references to the "Sunset Advisory Commission" wherever they appear in Minnesota statutes are deleted and all other necessary resulting changes are to be made by the revisor. Effective May 24, 2014.

Taxpayer assistance appropriation. \$200,000 in fiscal year 2014 and \$200,000 in fiscal year 2015 is added to the base appropriation of \$200,000 each year for the taxpayer assistance program. (270C.21 – Taxpayer Assistance Grants.) The unencumbered balance in the first year does not cancel but is available for the second year. Art. 1, §14, subd. 2. Effective July 1, 2013.