

Minnesota revenue notice

Revenue Notice #96-1: Collections; Revocation of Licenses; Definition

(Update: Revenue Notice #96-01 has been corrected by Revenue Notice #07-05.)

Minnesota Statutes, Section 270.72, subd. 1, states:

TAX CLEARANCE REQUIRED. The state or a political subdivision of the state may not issue, transfer, or renew, *and must revoke*, a license for the conduct of a profession, occupation, trade, or business, if the commissioner notifies the licensing authority that the applicant owes the state delinquent taxes, penalties, or interest. [Emphasis Added].

Additionally, Minnesota Statutes, Section 270.72, subd. 1, states:

A licensing authority that has received a notice from the commissioner may issue, transfer, renew, *or not revoke* the applicants license only if (a) the commissioner issues a tax clearance certificate and (b) the commissioner or the applicant forwards a copy of the clearance to the authority. [Emphasis Added].

The term "revoke," generally implies that the license has been terminated in such a way that the licensee may not be reinstated, or may be reinstated only after a period of time. For purposes of Minnesota Statutes § 270.72, the Department of Revenue deems the term "revoke" to mean that the taxpayer's license will be suspended until the tax obligation has been satisfied and the tax clearance certificate has been issued. This means that the taxpayer's license is not terminated indefinitely, and that once certain conditions have been met, the licensee will not be required to repeat the licensing procedure in order to have his or her license reinstated.

Dated: March 18, 1996

Patricia Lien
Assistant Commissioner for Tax Policy