

This notice was repealed on May 19, 2003 by Revenue Notice # 03-04.

Minnesota revenue notice number 99-15

Year 2000 (Y2K)

The Department of Revenue is confident our computer systems will be Year 2000 (Y2K) ready before January 1, 2000. We expect taxpayers to ensure that their systems will also be ready. When considering a request for abatement of penalty due to a Y2K problem, the department will apply the following principles:

Y2K problem is defined as the inability to collect or assemble the information necessary to file or pay taxes or to determine the amount due as a result of hardware or software problems related to the change-over to the year 2000.

Requests for abatement of penalty must be specific and provide documentation.

Y2K abatements are not automatically granted.

The actions taken by the taxpayer if they were unable to file or determine the tax they owed must have been reasonable.

Reasonable cause must be established under the existing abatement policies (see Revenue Notice # 97-01 Penalties – Abatements – General Policy). Issues that will be considered in establishing reasonable cause for Y2K problems include:

- The taxpayer must substantiate that they had a Y2K problem.
- The taxpayer must show that they took reasonable steps to prevent and fix the Y2K problem in a timely manner.
- Actions taken by the taxpayer to mitigate the problem will be considered. For example, making payment by check if payment by EFT is impossible.
- The person or entity who controls the hardware or software where the Y2K problem occurred – the taxpayer, the tax preparer, or a third party.
- The taxpayer's filing history.

The taxpayer must be incapable of complying, not just inconvenienced by compliance.

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