

Minnesota revenue notice

Revenue Notice # 92-01 Insurance - Aggregation

(Update: Revenue Notice #92-01 has been corrected by Revenue Notice #02-20.)

Minnesota has adopted the aggregate method in applying the Minnesota retaliatory statute, Minn. Stat. Sec. 60A.19, subd. 6.

In the aggregate method, the total economic burden of the foreign state is compared to the total economic burden of the taxing state to determine whether the economic burden of the foreign state is in excess of the economic burden of the taxing state.

The aggregate approach is in contrast to the item-by-item approach which has been used by Minnesota in the past. Under the item-by-item method, a tax is compared to a like tax, a fee with a similar fee, and licenses with licenses.

Under the aggregate approach, Minnesota will compare the total of the taxes, fines, deposits, penalties, licenses, and fees of foreign states to determine whether the foreign state's total is in excess of the total taxes, fines, deposits, penalties, licenses, and fees exacted by Minnesota. If the foreign state's total is in excess of the Minnesota total, Minnesota will impose the foreign states' exactions on the foreign state's insurance companies.

Minnesota does not retaliate against guaranty association assessments of foreign states or include such assessments in the foreign state's exactions.

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Director, Appeals and Legal Services

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JJS