

INDIVIDUAL INCOME TAX
Domicile Determination

March 15, 2001

	Yes	No
Separate Official Fiscal Note Requested		X
Fiscal Impact		
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 26 (Pawlenty)/ S.F. 700 (Kierlin)

	Revenue Gain or (Loss)			
	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>	<u>F.Y. 2004</u>	<u>FY2005</u>
General Fund		(000's)	-Unknown-	

Effective the day following final enactment.

EXPLANATION OF THE BILL

Current Law: Several factors are used to determine if a person is a Minnesota resident for purposes of the individual income tax. The location of bank accounts is one of the considerations listed in Minnesota Rule 8001.0300, Subpart 3.

Proposed Law: The bill would prohibit using the location of bank accounts or other financial accounts in determining residency for income tax purposes.

REVENUE ANALYSIS DETAIL

- Because residency determination is based on several factors considered together, it is not known what, if any, impact the bill would have on that determination.

ADMINISTRATIVE/OPERATIONAL IMPACT

There are no significant administrative or operational costs to the Department of Revenue in administering this bill.

Source: Minnesota Department of Revenue
Tax Research Division
<http://www.taxes.state.mn.us/polic.html#analyses>