

# MINNESOTA • REVENUE

## INDIVIDUAL INCOME TAX Tax Return Preparers

March 15, 2004

	Yes	No
Separate Official Fiscal Note Requested		
<b>Fiscal Impact</b>		
DOR Administrative Costs/Savings		

Department of Revenue  
Analysis of H.F. 2009 (Mullery)/ S.F. 2528 (Pogemiller)

	<u>Revenue Gain or (Loss)</u>			
	<u>F.Y. 2004</u>	<u>F.Y. 2005</u>	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>
General Fund	(\$)	(Negligible)	(Negligible)	(Negligible)

(000's)

Effective for tax years beginning after December 31, 2003.

### EXPLANATION OF THE BILL

**Current Law:** A paid tax refund or return preparer who prepares more than 100 individual income tax returns for the prior calendar year must file all income tax returns during the current calendar year electronically. For each return that is not filed electronically, a paper filing fee of \$5 is imposed upon the paid preparer.

**Proposed Law:** This bill would exempt charitable organizations from the requirement to file income tax returns electronically and from the \$5 paper filing fee imposed on paid preparers.

### REVENUE ANALYSIS DETAIL

- Charitable organizations that prepare income tax returns for individuals typically do not charge for the service and therefore are not subject to the current electronic filing requirement. It is expected that the proposed exemption would affect very few organizations.

Source: Minnesota Department of Revenue  
Tax Research Division  
[http://www.taxes.state.mn.us/taxes/legal\\_policy](http://www.taxes.state.mn.us/taxes/legal_policy)

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