

# MINNESOTA • REVENUE

## ALL TAX TYPES

### Taxpayer Assistance & Compliance

March 2, 2007

Department of Revenue  
Analysis of H. F.1509 (Tschumper)

	Yes	No
DOR Administrative Costs/Savings	X	

The bill requires the Department of Revenue to maintain toll-free telephone access for taxpayer assistance from the department for calls from locations within the state of Minnesota, effective January 1, 2008.

The bill requires the Commissioner of Revenue to participate in a tax processing program whereby the Internal Revenue Service processes electronically filed state returns together with the federal returns.

The bill requires employers to submit employee income tax withholding information to the state in the same manner as required for federal purposes. For wages paid in 2007, the employer must submit statements by electronic means if they are required to file more than 100 statements. For calendar year 2008 the threshold is reduced to 25 statements and for calendar year 2009 and beyond the threshold is reduced to ten. This filing requirement is effective beginning with wages paid on or after January 1, 2007.

The bill requires the Commissioner of Revenue to study and implement procedures and services that will assist sales and use taxpayers of limited English proficiency in complying with sales and use tax laws. Translating forms, fact sheets, and instructions into Spanish and other languages must be considered. The Commissioner must also consider how to assist taxpayers of limited English proficiency who contact the Department of Revenue by telephone. The commissioner must provide a written report on the results of the study and a plan to implement procedures and services to the Legislature by February 1, 2008.

The bill appropriates funding for tax compliance initiatives from the general fund to the Commissioner of Revenue. In fiscal year 2008, \$4,330,000 is appropriated, and in fiscal year 2009, \$5,907,000 is appropriated for tax compliance initiatives. The Department of Revenue must report to the legislature on specified performance indicators.

- The general fund appropriations are \$4,330,000 for fiscal year 2008 and \$5,907,000 for fiscal year 2009.

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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