

MINNESOTA • REVENUE

INDIVIDUAL INCOME TAX 1099 Tax Information Reporting

February 28, 2007

Department of Revenue
Analysis of S.F. 415 (Bakk) / H.F. 517 (Nelson)

	Yes	No
DOR Administrative Costs/Savings	X	

	<u>Fund Impact</u>			
	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>	<u>F.Y. 2010</u>	<u>F.Y. 2011</u>
		(000's)		
General Fund (Appropriation not specified)	-- To be determined --		\$0	\$0

Effective for forms required to be filed by federal law on or after January 1, 2008.

EXPLANATION OF THE BILL

Current Law: Payers are required to file a copy of Form 1099 with the Internal Revenue Service (IRS). The Form 1099 information is then passed on to the Minnesota Department of Revenue from the IRS at a later date.

Proposed Law: This bill would require payers to file a copy of a Form 1099 directly with the Department of Revenue if the return is for payment made to a Minnesota resident, to a recipient with a Minnesota address, or for activity in the state of Minnesota; and the payment is for wages, salaries, or other compensation for services provided.

The bill also appropriates unspecified amounts for fiscal years 2008 and 2009 to the Department of Revenue to develop information systems to match the Form 1099 information with tax returns and other related expenses.

REVENUE ANALYSIS DETAIL

- The bill would have no revenue impact.
- The appropriation amounts are left blank in the bill. The appropriations would be a cost to the state general fund in fiscal years 2008 and 2009.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy

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