

MINNESOTA • REVENUE

INCOME TAX WITHHOLDING Contractor Withholding

March 23, 2012

	Yes	No
DOR Administrative Costs/Savings	X	

Department of Revenue

Analysis of H.F. 2093 (Sanders) 2nd Engrossment, Sections 11 and 13(c)

Effective for payments made after June 30, 2012.

Current law requires contractors to withhold 2% of payments made to an individual as a sole proprietor when those payments exceed \$600. The bill would repeal that requirement.

The bill would not change the amount of the income tax liability of a taxpayer. It could have an impact on compliance.

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

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