

# MINNESOTA · REVENUE

## Department Unsession Bill

March 4, 2014

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of H.F. 2578 (Lenczewski) / S.F. 2237 (Rest)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2014</u></b>	<b><u>F.Y. 2015</u></b>	<b><u>F.Y. 2016</u></b>	<b><u>F.Y. 2017</u></b>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

### EXPLANATION OF THE BILL

A summary prepared by the Appeals and Legal Services Division of the Department of Revenue is attached.

### REVENUE ANALYSIS DETAIL

The provisions of the bill would not have an impact on state revenues.

Source: Minnesota Department of Revenue  
Tax Research Division  
[www.revenue.state.mn.us/research\\_stats/Pages/Revenue-Analyses.aspx](http://www.revenue.state.mn.us/research_stats/Pages/Revenue-Analyses.aspx)

hf2578(sf2237)\_1 / cc

# 2014 UNSESSION BILL SUMMARY

FINAL

MINNESOTA • REVENUE

Appeals and Legal Services Division  
600 North Robert Street  
Saint Paul, Minnesota 55146-2220

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**Sections 1 - 3. References to “debt qualification plan.”** Amends Minn. Stat. § 16D.02, subs. 3 and 6, and § 16D.04, subd. 3, to replace all references to debt qualification plans. The definition of “debt qualification plan” is also repealed in the repealer section. The department no longer uses debt qualification plans, but instead uses service level agreements. Effective the day following final enactment.

**Section 4. References to management and budget.** Amends Minn. Stat. § 16D.04, subd. 4, to remove references to management and budget. Revenue contracts directly with collection entities. Effective the day following final enactment.

**Sections 5 and 6. Notice requirements.** Amends Minn. Stat. § 16D.07 and Minn. Stat. § 16D.11, subd. 1, to put all notice requirements in the same section. The notice language currently contained in Minn. Stat. § 16D.11 is moved to Minn. Stat. § 16D.07. An obsolete reference to management and budget is removed from Minn. Stat. § 16D.11, subd. 1; management and budget is no longer involved in determining the collection cost amount. An obsolete sentence appropriating collection costs collected by private agencies to referring agencies to pay collection fees is removed because collection fees to private agencies are now paid by the department. Effective the day following final enactment.

**Sections 7, 8, and 16. References to “enterprise.”** Amends Minn. Stat. § 16D.11, subs. 3 and 7; and Minn. Stat. § 270A.03, subd. 2, to remove references to the enterprise. The definition of “enterprise” is repealed in the repealer section because there is no longer a separate unit within Revenue that collects only nontax debt. The entire Collection Division collects both tax and nontax debt. Effective the day following final enactment.

**Section 9. Reforestation areas, 1931.** Amends Minn. Stat. § 84A.20, subd. 2, to eliminate obsolete tax references (to property tax base amounts in 1931) under a program allowing counties to apply for the state takeover of lands for reforestation. Effective the day following final enactment.

**Section 10. Reforestation areas, 1933.** Amends Minn. Stat. § 84A.31, subd. 2, to eliminate obsolete tax references (to property tax base amounts in 1933) under a program allowing counties to apply for the state takeover of lands for reforestation. Effective the day following final enactment.

**Section 11. Drycleaner fee.** Amends Minn. Stat. § 115B.49, subd. 4, to provide that sellers of dry cleaning solvents must file their returns and pay the tax on the same time and manner that they pay their sales tax. This section is effective for fees due after June 30, 2014.

**Section 12. County road and bridge levy.** Amends Minn. Stat. § 163.06, subd. 1, to eliminate an obsolete reference to the tax on money and credits. This tax has not been imposed since the 1940s and was formally repealed in 1979. Effective the day following final enactment.

**Section 13. State Board of Equalization.** Amends Minn. Stat. § 270.11, subd. 1, to remove the unnecessary phrase, “which board of equalization is hereby continued.” The remaining language

provides that the commissioner continues as the State Board of Equalization. Effective the day following final enactment.

**Sections 14 and 31. State Board of Equalization meeting times/dates.** Amends Minn. Stat. § 270.12, subd. 2, to streamline language and eliminate duplicative provisions. This bill strikes paragraphs 2 and 5. The language in those paragraphs provides that the board can reduce aggregate valuations. Paragraphs 1 and 3, which already provide that the board can increase aggregate valuations, are amended to provide that the board may add or deduct from aggregate valuation. Also amends a cross reference in § 273.1325, subd. 2, that will be incorrect when paragraph 5 is eliminated. Effective the day following final enactment.

**Section 15. State Board of Equalization/treatment of public utility property.** Amends Minn. Stat. § 270.12, subd. 4, to remove unnecessary language. The provision provides that public utility property is treated as a separate class of property. The stricken language states that this treatment is notwithstanding the fact that its class rate is the same as commercial industrial property. Effective the day following final enactment.

**Section 17. Return information of biotechnology and health sciences industry zone businesses.** Amends Minn. Stat. § 270B.14, subd. 3, to remove data practices reference to the biotechnology and health sciences industry zone, which is repealed in the repealer section. Effective January 1, 2016.

**Section 18. Notification requirements; sales and use taxes.** Amends Minn. Stat. § 270C.085, which requires the commissioner of revenue to electronically update sales-tax-permit-holders of changes in sales tax laws and interpretation and administration of those laws. Because the commissioner established its notification system as required prior to December 31, 2009, the language requiring its completion by December 31, 2009 is no longer necessary. Effective the day following final enactment.

**Section 19. Payment agreement fee.** Amends Minn. Stat. § 270C.52, subd. 2, to remove obsolete language that indicates the payment agreement fee reflects the commissioner's costs for entering into payment agreements. When the payment agreement fee was initially proposed, it was a flat \$25 fee that was adjusted annually to reflect the commissioner's costs. It was subsequently changed to a flat \$50 fee with no annual adjustment, but the language referencing the commissioner's costs was not removed. Effective the day following final enactment.

**Section 20. Exempt property.** Amends Minn. Stat. § 272.01, subd. 1, to remove language exempting specific personal property, which is covered by the remaining general-exemption language for personal property. Effective the day following final enactment.

**Sections 21, 46, 52, 53, 56 and 64. Telegraph companies.** Amends Minn. Stat. § 272.01, subd. 3; 280.03; and 282.01, subd. 6; 282.04, subd. 4; 282.261, subd. 5; and 290.015, subd. 1, to remove obsolete references to telegraph companies (the outdated communication system of sending messages by telegram). Effective the day following final enactment.

**Section 22. Remove a cross reference in Minn. Stat. § 272.025, property tax filing requirement.** The cross reference to § 272.02, subdivision 1, is removed because that subdivision is being repealed. The repealed subdivision is redundant language. Effective the day following final enactment.

**Section 23. Utility personal property.** Amends Minn. Stat. § 272.027, subd. 1, to eliminate a cross reference to a subdivision repealed in the repealer section and to a previously repealed subdivision. Effective the day following final enactment.

**Section 24. Wind energy production tax.** Amends Minn. Stat. § 272.029, subd. 6, to eliminate obsolete language governing past distributions of wind energy production tax revenues. Effective the day following final enactment.

**Section 25. Market value definition.** Amends Minn. Stat. § 273.032, to remove a reference to the Aggregate Resource Preservation Law, section 273.1115, from the list of adjustments used in determining levy limits because that section is being repealed. Effective the day following final enactment.

**Sections 26 and 82. Assessor salaries.** Amends Minn. Stat. §§ 273.061, subd. 6 and 412.131, to remove obsolete assessor salary scales and compensation for city and county assessors. This language provides minimum compensation levels that are far below current assessor salaries. Effective the day following final enactment.

**Section 27. Assessment books.** Amends Minn. Stat. § 273.10, to remove requirements for recording certain information in obsolete paper assessment books. Counties electronically maintain the required information about the school district in which property lies. Effective the day after final enactment.

**Section 28. Income producing property.** Amends Minn. Stat. § 273.11, subdivision 13, to remove the phrase, “Beginning with the 1995 assessment.” Because the 1995 assessment is long past, this phrase is now obsolete. Effective the day following final enactment.

**Section 29. Private golf club guidelines.** Amends Minn. Stat. § 273.112, subdivision 6a, to remove obsolete language for mailing program guidelines. The language required the commissioner of revenue to mail qualification guidelines related to outdoor recreation space for private golf courses to county attorneys and county assessors within 60 days of May 26, 1989, and for assessors to mail those guidelines to each golf club in the county within 15 days of receiving the guidelines from the commissioner. Effective the day following final enactment.

**Section 30. Class 2 (agricultural property).** Amends Minn. Stat. § 273.13, subd. 23, to eliminate class 2e – a special classification for land containing commercial aggregate deposits that is not classified as agricultural. There is no property in this classification anywhere in the state. Effective beginning for taxes payable in 2015.

**Section 32. Exempt property records.** Amends Minn. Stat. § 273.18, to remove a reference to obsolete paper assessment books because these records are now maintained electronically. The amendment also updates the statute’s year-of-reference to allow auditors to base their six-year cycle from 2010 rather than 1926. Effective the day following final enactment.

**Section 33. Boards of appeal and equalization.** Amends Minn. Stat. § 274.01, subd. 1, to remove unnecessary and obsolete language requiring the board to list omitted property “on a form appended to the assessment book.” The reference to the assessment book is stricken because some boards use electronic systems. Effective the day following final enactment.

**Section 34. Special boards of equalization.** Amends Minn. Stat. § 274.01 subd. 2, to remove the phrase “including a city whose charter provides for a board of equalization” so that the first sentence of the subdivision will read: “The governing body of a city may appoint a special board of review.” The removed language is superfluous. Effective the day following final enactment.

**Sections 35 and 36. Computation of tax capacity.** Amends Minn. Stat. § 275.08 subd. 1a and 1d to remove obsolete language applicable to taxes payable in 1989 and 1990. Effective the day following final enactment.

**Sections 37, 38 and 39. Special levies.** Amends Minn. Stat. § 275.70, subd. 5 to eliminate obsolete and minor provisions from the definition of special levies under general law. This provision is not now in effect; the 2014 levy limits were imposed under a temporary, uncodified provision of law that only recognized selected special levies. Also amends cross references in §§ 275.74, subd. 2; and 275.75. Effective the day following final enactment.

**Section 40. Interest on delinquent property taxes.** Amends Minn. Stat. § 279.03, subs. 1, 1a, and 2, to remove obsolete date-specific provisions that have passed and are no longer applicable. Effective the day following final enactment.

**Sections 41, 42, 43, 47, 49 and 51. Tax judgments.** Amends Minn. Stat. § 279.16; 279.23; 279.25; 280.07; 281.03; and 281.327, to remove obsolete references to a paper judgment book. While these paper records were once necessary for recording and tracing property tax judgments, these records are now maintained electronically. Effective the day following final enactment.

**Section 44. Installment payments for tax forfeited property.** Amends Minn. Stat. § 279.37, subd. 2, to eliminate obsolete references to 1941 statutes, and replace those references with references to current statutes. Effective day following final enactment.

**Sections 45 and 48. Tax judgment sales.** Amends Minn. Stat. § 280.001 and 280.11, to remove obsolete date-specific language related to public sales of property against which there is a tax judgment and a provision prohibiting the assignment of the state’s interest in a parcel of land after it has been bid in for the state, as well as to remove obsolete references to telegraphs. Effective the day following final enactment.

**Section 50. Redemption periods.** Amends Minn. Stat. § 281.17, to remove obsolete redemption provisions for land in the Loring Park neighborhood for redemption periods beginning after June 30, 1991, but before July 1, 1996. Effective the day following final enactment.

**Section 54. Repurchase of tax-forfeited property.** Amends Minn. Stat. § 282.261, subd. 2, to remove obsolete date-specific language. Effective the day following final enactment.

**Section 55. Service fee for repurchase of tax-forfeited land.** Amends Minn. Stat. § 282.261, subd. 4, by removing the obsolete provision that the statute applies to repurchase applications received after July 1, 1985, as the statute has long been in effect. Effective the day following final enactment.

**Section 57. Forfeited lands.** Amends Minn. Stat. § 282.322 to remove obsolete references to session laws. Effective the day following final enactment.

**Section 58. Documentary stamps.** Amends Minn. Stat. § 287.30, to remove reference to obsolete deed tax documentary stamps, which are no longer used to reflect that deed tax has been paid. Effective the day following final enactment.

**Section 59. Requirement to pay estimated tax.** Amends Minn. Stat. § 289A.25, subd. 1, to remove duplicative language that says estimated payments are not required if the estimated tax is less than \$500. This language is also found in 289A.25, subd. 4. Effective the day following final enactment.

**Section 60. Domestic corporation.** Amends Minn. Stat. § 290.01, subd. 5, to eliminate references to foreign sales corporations, which no longer exist under federal law. Effective for tax years beginning after December 31, 2013.

**Sections 61 and 67. Obsolete modifications for intangible drilling costs.** Amends Minn. Stat. §§ 290.01, subd. 19d, and 290.0921, subd. 3, to remove obsolete modifications for intangible drilling costs incurred in taxable years prior to 1987. Effective for taxable years beginning after December 31, 2013.

**Sections 61, 62, 67, and 71. Basis modifications.** Amends Minn. Stat. § 290.01, subd. 19f to remove obsolete language related to the Accelerated Cost Recovery System (ACRS). All assets placed in service using ACRS have now been completely depreciated. Minnesota now uses the same depreciation schedule as federal law (Modified Accelerated Cost Recovery System - MACRS). Assets depreciated under ACRS and the Minnesota law modifications now have the same basis and there are no longer any taxpayers who need to make this modification. For the same reasons, section 290.01, subd. 19e is repealed in this bill. Cross references to subdivision 19e are also struck from §§ 290.01, subd. 19d, 290.0921 subd. 3 and 290.9728, subd. 2. Effective for taxable years beginning after December 31, 2013.

**Section 63. Corporate taxable income.** Amends Minn. Stat. § 290.01, subd. 29, to remove the exemption of income attributable to operating in biotechnology and health sciences industry zone from the definition of taxable income of a corporation. The biotechnology zone program is repealed in the repealer section. Effective for taxable years beginning after December 31, 2015.

**Section 65. Annual accounting period.** Amends Minn. Stat. § 290.07, subd. 1, to repeal obsolete language regarding accounting periods. Because Minnesota starts with federal taxable income (290.01, subd. 19), income taxpayers must use the same accounting periods for Minnesota purposes as used for federal purposes. Effective for taxable years beginning after December 31, 2013.

**Section 66. Accounting methods.** Amends Minn. Stat. § 290.07, subd. 2, to repeal obsolete language regarding accounting methods. Because we start with federal taxable income (290.01, subd. 19), income taxpayers must use the same accounting method for Minnesota purposes as used for federal purposes. Effective for taxable years beginning after December 31, 2013.

**Section 67. Corporate alternative minimum taxable income.** Amends Minn. Stat. § 290.0921, subd. 3 to remove the reference to intangible drilling costs and the exclusion of income attributable to operating in a biotechnology and health sciences industry zone from the definition of alternative minimum taxable income of a corporation. The biotechnology zone program is repealed in the repealer section. The provision dealing with intangible drilling costs is effective for taxable years

beginning after December 31, 2013 and the provision dealing with the biotechnology zone is effective for taxable years beginning after December 31, 2015.

**Section 68. Minimum fee calculation.** Amends Minn. Stat. § 290.0922, subd. 3, to eliminate the exemption for biotechnology and health science industry zone property and payroll factors from the minimum fee calculation. The biotechnology zone program is repealed in the repealer section. Effective for taxable years beginning after December 31, 2015.

**Section 69. Net operating loss carryover.** Amends Minn. Stat. § 290.095, subd. 3, to remove obsolete language regarding net operating losses incurred in taxable years beginning before January 1, 1987, which allowed five-year carryovers and three-year carrybacks. These periods are now complete. The remaining language allows losses incurred in taxable years beginning after January 1, 1987 to be carried over for fifteen years. Effective for taxable years beginning after December 31, 2013.

**Section 70. Obsolete sales clause.** Amends Minn. Stat. § 290.191, subd. 5, to remove an obsolete phrase regarding sales of tangible personal property made within this state. The phrase was made obsolete by prior year legislative changes to the sales factor. Effective the day following final enactment.

**Section 72. Admissions.** Amends Minn. Stat. § 297A.61, subd. 3, to remove the term “Turkish bath” because they are considered “steam baths” which are already specifically taxable under this statute, making “Turkish bath” redundant. Effective the day following final enactment.

**Section 73. Capital equipment.** Amends Minn. Stat. § 297A.68, subd. 5, paragraph (d), clause 11, to remove the words “as provided in subdivision 35” because subdivision 35 refers to the Telecommunication, cable television and direct satellite machinery and equipment exemption that was deleted during the 2013 regular legislative session. Effective the day following final enactment.

**Section 74. Nonprofit tickets or admissions.** Amends Minn. Stat. § 297A.70, subd. 10, which provides a sales tax exemption for tickets or admissions to events sold by qualifying nonprofit organizations. The amendment deletes language that governed the phase in of the requirement that the nonprofit’s annual revenue includes a fixed percentage of voluntary contributions. The fixed percentage phased in from 3% to 5%. Effective the day following final enactment.

**Sections 75, 76 and 77. Exemption refunds.** Amends Minn. Stat. § 297A.75, subd. 1, to remove the refund provision for building materials for the Long Lake Conservation Center. Construction of that facility is complete. Amends cross references found in Minn. Stat. § 297A.75, subds. 2 and 3. Also amends Minn. Stat. § 297A.75, subd. 3, to delete language regarding construction material and equipment refund limits for the Central Corridor Light Rail line for tax years 2010 and 2011. These refunds have already been paid. Also deletes language providing that refund applications by the Metropolitan Council or the Department of Transportation for equipment operations and Central Corridor Light Rail must not be issued until after July 1, 2009. Because 2009 is past, this language is obsolete. Effective the day following final enactment.

**Section 78. Deposit of revenues.** Amends Minn. Stat. § 297A.94, clause (e), to remove deposit percentages that relate to past years 2001, 2002, 2003, and 2004 for the deposit of Lottery in lieu taxes. Effective the day following final enactment.

**Section 79. Allocation of revenue.** Amends Minn. Stat. § 297B.09 subd. 1, to remove deposit allocation provisions that relate to past years 2007, 2008, 2009, 2010 and up to June 30, 2011, for motor vehicle sales tax. Effective the day following final enactment.

**Section 80. Cigarette and tobacco products license application forms.** Amends Minn. Stat. § 297F.03, subd. 2, to delete a list of information required on applications for cigarette and tobacco product licenses (e.g. name, address, type of business entity, and any other information). The remaining language provides for a form as prescribed by the commissioner. Effective the day following final enactment.

**Section 81. Life insurance.** Amends Minn. Stat. § 297I.05, subd. 14, to delete superfluous language. The deleted language provides phased-in tax rate for insurers who sell life insurance for different periods starting in January 1, 2006, and ending December 31, 2008. Since the rate during these periods is no longer relevant, only the current rate of 1.5 percent should be provided. Effective the day following final enactment.

**Section 83. Police and fire retirement supplemental aid.** Amends Minn. Stat. § 423A.022, subd. 3, to remove irrelevant language that was erroneously left in the bill that enacted the statute in 2013. The bill was amended through the legislative process, and this language inadvertently remained from an early version of that bill. Effective the day after final enactment.

**Section 84. Compact development TIF districts.** Amends Minn. Stat. § 469.176, subd. 1b, to eliminate reference to compact development TIF districts. The authority to establish these districts expired in 2012 and was apparently never used. Effective the day following final enactment.

**Section 85. TIF administrative expenses.** Amends Minn. Stat. § 469.176, subd. 3, to eliminate obsolete language in the TIF statute governing administrative expenses. This would remove language that applied to districts that requested certification between July 31, 1979 and June 30, 1982, and is no longer applicable. Effective the day following final enactment.

**Section 86. TIF authority for biotechnology and health science industry zones.** Amends Minn. Stat. § 469.1763, subd. 2 to clarify that the special TIF authority for biotechnology and health science industry zones (which are being repealed in the repealer section) can be used until those zones expire. This authority is not dependent on state funding of the zone and remains viable until the zone, which has subzones in Minneapolis, St. Paul, and Rochester, expires at the end of 2015. Effective the day following final enactment and applies to all districts, regardless of when the request for certification was made.

**Section 87. Metropolitan Airports Commission (MAC) bonds.** Amends Minn. Stat. § 473.665, subd. 5, to eliminate an obsolete reference to the tax on money and credits in a MAC bonding statute. This tax has not been imposed since the 1940s and was formally repealed in 1979. Effective the day following final enactment.

**Section 88. County program aid.** Amends Minn. Stat. § 477A.0124, subd. 5, to remove outdated provisions for 2009 county program aid to Pine County, which has already been paid and is no longer effective. Effective the day following final enactment.



**Sections 89. Local government aid.** Amends Minn. Stat. § 477A.014, subd. 1, to remove obsolete references to road accident factor, which is no longer used as a factor for calculating local aid. Effective the day following final enactment.

**Sections 90 and 91. County Aid.** Amends Minn. Stat. § 611.27, subds. 13 and 15, by removing cross-references to § 477A.0124, subd. 1, which is being repealed in this bill. These provisions in Minn. Stat. § 611.27, instruct the commissioner of revenue to pay for county program aid and court transcripts using the county aid funds under § 477A.0124, subd. 1, which only applied to county program aid for 2004. Effective the day after final enactment.

**Section 92. Revisor’s Instruction.** Instructs the Revisor of Statutes to make all necessary cross references in Minnesota Statutes and rules and other changes consistent with the changes made in this bill.

**Section 93. Repealer.** Repeals the following statutes and rules:

- 16D.02, subd. 5 Defines “debt qualification plans,” which are no longer used. The department uses service level agreements. Effective the day following final enactment.
- 16D.02, subd. 8 Defines “enterprise,” which was a separate unit within Revenue that collected only nontax debt. Now, the entire Collection Division collects both tax and nontax debt, making any reference to “enterprise” obsolete. Effective the day following final enactment.
- 16D.11, subd. 2 Relating to obsolete computation and requirement to return debts. This subdivision set the initial percentage rate for calculating collection costs, and this rate is now obsolete. The current rate and method of determining the rate are contained in subdivision 7 of this section. Debts are no longer returned to the commissioner when collection cost cancellation is requested by the debtor. Instead, the commissioner resolves the request and notifies the agency of the resolution. Effective the day following final enactment.
- 270C.131 This statute is repealed because this quarterly sales tax report is no longer wanted or needed by Explore Minnesota Tourism. Effective the day following final enactment.
- 270C.53 Repeal of a provision that gives the commissioner the authority to abate the liability of a taxpayer who is not able to pay a delinquent tax liability if the taxpayer agrees to perform uncompensated public service. This program has not been used in a number of years, and it is not anticipated that the program will be used in the future as it was rarely used and found to be difficult to administer and track. Effective the day following final enactment.
- 270C.991, subd. 4 Authorizes the Property Tax Working Group that completed its duties in 2013. Effective the day following final enactment.

- 272.02, subds. 1 and 1a Repeals redundant language stating the property listed in section 272.02 is exempt and these exemptions are subject to the limitations of section 272.025. This language is redundant, as each subdivision in the section specifically states each identified type of property is exempt, and section 272.025 already states that it is applicable to section 272.02. Effective the day following final enactment.
- 272.02, subds. 48, 51, 53, 67, 72 and 82 Repeals exemptions for electric generation facilities that required that these facilities be built by the specific date in each subdivision, and the facilities that were intended to be covered by these exemptions were never built. No taxpayers are covered by the subdivisions that would be repealed, and the time-limiting provisions prevent any taxpayer from claiming these exemptions in the future. These exemptions were for facilities in Fillmore County (subd. 48); Waseca County (subds. 51 and 72); City of Minneapolis (subds. 53 and 82); and Dakota County (subd. 67). Effective the day following final enactment.
- 272.027, subd. 2 Repeals personal property tax exemption for public utility project in Itasca County. Plans to construct the plant were cancelled in 2002. Effective the day following final enactment.
- 272.031 Repeals unnecessary language specifying that abbreviations may be used in property tax records, but ditto marks and the abbreviation “do” may only be used as to a property owner’s name and the addition or the subdivision in which property lies. Effective the day following final enactment.
- 273.015, subd. 1 Repeals unnecessary language specifying that property tax statements must be rounded to the nearest even cent, such as \$--.02, \$--.54, or \$--.78. Counties round property tax to the nearest dollar, which makes this provision obsolete. Effective the day following final enactment.
- 273.03, subd. 3 Repeals unnecessary language specifying that other laws that are not inconsistent with certain statutes continue in full force and effect. This states a basic tenet of statutory interpretation and is therefore superfluous. Effective the day following final enactment.
- 273.075 Repeals obsolete provision related to a one-time appropriation in 1971 for payment of assessor instructional courses at the University of Minnesota, which are no longer offered. Effective the day following final enactment.
- 273.1115 Aggregate resource preservation property tax law (a program limiting property taxes for land containing commercial aggregate deposits that has never been used). This program is obsolete, as all counties with otherwise-qualifying property have opted out of the program. Effective beginning with property taxes payable in 2015.
- 273.1383 Repeals provisions providing for replacement aid to counties affected by flooding in 1997. These counties included Polk, Clay, Kittson, Marshall, Norman, and Wilkin. This provision is obsolete, because it only applied to assessment years 1998, 1999, and 2000, and provided for general fund appropriations in fiscal years 2000, 2001, and 2002, which have passed. Effective the day following final enactment.

- 273.1386 Repeals provisions providing for replacement aid to cities affected by flooding in 2002. These counties included Roseau, Becker, Beltrami, Clay, Clearwater, Itasca, Kittson, Koochiching, Lake of the Woods, Mahnommen, Marshall, McLeod, Norman, Pennington, Polk, Red Lake, and Wright. This provision is obsolete, as it only provided for flood aid to be paid in 2004. This statute's provision that reduced local aid to affected cities that received the flood aid in fiscal year 2006 is similarly obsolete. Effective the day following final enactment.
- 273.80 Repeals the distressed homestead reinvestment property tax exemption, which has sunset as a function of statute. The statute required, among other factors, that a property qualify for the exemption by May 1, 2003. Additionally, a property could only qualify for the exemption for five years after initially qualifying. Accordingly, the latest that a property owner could have claimed the exemption was in 2008. Effective the day following final enactment.
- 275.77 Repeals expired date-specific language regarding maintenance of effort and matching fund requirements. This obsolete provision temporarily suspended any new or increased maintenance of effort or matching fund requirements until July 1, 2011. Effective the day following final enactment.
- 279.32 Obsolete provision related to lands with delinquent tax repurchased before 1936, which allowed a county to take certain action by February 1, 1945, to list such property as delinquent for taxes for 1942. Effective the day following final enactment.
- 281.173, subd. 8 Repeals the section's subdivision providing that the statute, relating to redemption periods for certain abandoned properties, is applicable only to tax judgment sales on or after April 13, 1996. Because the statute remains in effect, and the effective date has passed, this subdivision is obsolete. Effective the day following final enactment.
- 281.174, subd. 8 Repeals the section's subdivision providing that the statute, relating to redemption periods for certain vacant properties, is applicable only to tax judgment sales on or after April 13, 1996. Because the statute remains in effect, and the effective date has passed, this subdivision is obsolete. Effective the day following final enactment.
- 281.328 Obsolete provision validating state assignment certificates issued before January 1, 1972, even if such certificates have not been recorded within seven years of being issued. Effective the day following final enactment.
- 282.10 Obsolete provision authorizing reimbursement to the purchaser of tax-forfeited property made before 1940 that are invalidated by a court, if the parcel was sold pursuant to 1935 law. Effective the day following final enactment.
- 282.23 Obsolete provision providing that the sale of property that was forfeited to the state in 1926 or 1927 shall be conducted in the usual manner. Effective the day following final enactment.

- 287.20, subd. 4 Repeals the definition of “documentary stamps,” which is obsolete because such stamps are no longer used to verify that deed tax has been paid on recorded conveyances. Effective the day following final enactment.
- 287.27, subd. 2 Repeals provision authorizing the use of tax meter machines, used to affix documentary stamps, which are obsolete, as counties no longer use either tax meter machines or documentary stamps. Effective the day following final enactment.
- 290.01, subd. 4b Repeals the definition of “mutual property and casualty insurance company,” which is no longer used in Chapter 290 since its reference was repealed from section 290.05 in 2001. Effective the day following final enactment.
- 290.01, subd. 19e Repeals obsolete language related to the Accelerated Cost Recovery System (ACRS) because all assets placed in service using ACRS have now been completely depreciated. Effective for taxable years beginning after December 31, 2013.
- 290.01, subd. 20e Repeals a duplicate modification in computing taxable income of the estate of a decedent. Federally, estates are allowed to deduct expenses either on the fiduciary income tax return or estate tax return, but not both. Minnesota follows this election by operation of section 290.01, subd. 19 (income tax) and section 291.03, subd. 1a (estate tax). The duplication in section 290.01, subd. 20e, is not necessary. Effective the day following final enactment.
- 290.0674, subd. 3 Repeals the prohibition against claiming the education credit against the alternative minimum tax. This prohibition has not affected any taxpayers. A similar prohibition concerning the working family credit was repealed in 2003. Effective for taxable years beginning after December 31, 2013.
- 290.33 Repeals a provision that explains how to administer a tax imposed in the middle of a calendar year. Introduced in the 1930s, this section is no longer relied on. Instead, each law change is enacted with an appropriate effective date. Effective for taxable years beginning after December 31, 2013.
- 290C.02, subds. 5 and 9; and 290C.06 Repeals calculation of average estimated market value (EMV) of class 2c land under the Sustainable Forest Incentive Act (SFIA) program – this calculation is obsolete, since the SFIA payment is now a flat amount per acre and is unaffected by the EMV of class 2c land. Effective the day following final enactment.
- 291.41 – 291.47 Repeals the law authorizing arbitration of disputes between or among states over their jurisdiction to impose estate or inheritance taxes on a decedent’s estate. This law was enacted in 1951 and according to DOR has never been used. Effective the day following final enactment.
- 295.52, subd. 7 Repeals language that deals with a temporary tax rate reduction of the MinnesotaCare tax for the years 1998 to 2003. The current tax rate is stated in section 295.52, subds. 1- 4. Effective the day following final enactment.

- 297A.71, subd.4 Repeals an obsolete sales tax construction exemption for the Lake Superior Center, which was built in 2000. Effective the day following final enactment.
- 297A.71, subd. 5 Repeals an obsolete sales tax construction exemption for the Science Museum of Minnesota, which was built in 1999. Effective the day following final enactment.
- 297A.71, subd. 7 Repeals an obsolete sales tax construction exemption enacted in 1997 for an alfalfa biomass facility, which was never built. Effective the day following final enactment.
- 297A.71, subd.10 Repeals a sales tax construction exemption that applies to Northwest Airlines in 1991 to build a heavy maintenance facility in Duluth, Minnesota. Effective the day following final enactment.
- 297A.71, subd. 17 Repeals an obsolete sales tax construction exemption for the Long Lake Conservation Center located in Aitkin County because the construction and improvements for this center are complete. Effective the day following final enactment.
- 297A.71, subd. 18 Repeals an obsolete sales tax construction exemption for a soybean oilseed processing and refining facility for CHS, Inc. in Marshall, Minnesota because construction was completed in 2002-2003. Effective the day following final enactment.
- 297A.71, subd. 20 Repeals a sales tax construction exemption enacted in 1999 for the construction of a cattle slaughterhouse facility that was completed in December, 2001. Effective the day following final enactment.
- 297A.71, subd. 32 Repeals an obsolete the sales tax construction exemption for the construction of the Walker Art Center, which was completed in April 2005. Effective the day following final enactment.
- 297F.08, subd. 11 Repeals obsolete language in cigarette tax dealing with railroad sleeping car companies as distributors. There are no licensed distributors who identify themselves as railroad sleeping car companies. Effective the day following final enactment.
- 297H.10, subd. 2 Repeals solid waste management penalty for failure to file. Subdivision 1 imposes the same failure to file penalty as applies for sales tax, which is a penalty of 5% of the tax not paid. Effective the day following final enactment.
- 469.174, subd. 10c Definition of compact development TIF districts – the authority to establish these districts expired in 2012. Effective the day following final enactment.
- 469.175, subd. 2b Sunset of compact development TIF district authority. Effective the day following final enactment.
- 469.176, subd. 1i Permitted use of increments for compact development TIF districts. Effective the day following final enactment.

- 469.1764 Pre-1982 TIF districts – these districts have now all been decertified; any remaining increments would be required to be returned. Effective the day following final enactment.
- 469.177, subd. 10 Distribution of TIF revenues generated by referendum levies to school districts – this provision is obsolete since all of these operating referenda levies are now spread on market value, which do not generate tax increment. Effective the day following final enactment.
- 477A.0124, subds. 1 and 6 Repeals provisions providing for county program aid in 2004, 2011, and 2012. Because these aid payments have been made and the provisions have no ongoing effects, these provisions are obsolete. Effective the day following final enactment.
- 505.173 Repeals obsolete authority for local governments to correct defects in plats. The authority granted in this statute expired in 1953. Effective the day following final enactment.
- M.R. 8002.0200, subp. 8 Repeals a rule related to individual net operating loss, which is obsolete as a result of numerous law changes since the rule was promulgated in the 1970's. Effective the day following final enactment.
- M.R. 8007.0200 Repeals a rule regarding changes in accounting methods, which is obsolete because income taxpayers must use the same accounting periods for Minnesota purposes as used for federal purposes. Effective for taxable years beginning after December 31, 2013.
- M.R. 8100.0800 Repeals an obsolete rule relating to the phase-in of utility property valuation changes due to amendments made to Minnesota Rule 8100 (Utility Valuation). Valuation changes between the new and old rule were phased in for assessment years 2007-2009. This rule is no longer needed because for assessment years 2009 and subsequent years the current rule is fully in place. Effective the day following final enactment.
- M.R. 8130.7500, subp. 7 Repeals an obsolete subpart concerning microfilm reproductions of records. Microfilm is an outdated technology, and taxpayers no longer store records using microfilm. Effective the day following final enactment.
- M.R. 8130.8900, subp. 3 Repeals a rule regarding florists and nurseries, to delete language regarding sourcing of telegraphic orders by florists and nurseries that became obsolete when Minn. Stat. § 297A.668 was amended in 2011 to add subd. 9. Effective the day following final enactment.
- M.R. 8130.9500, subps. 1, 1a, 2, 3, 4, and 5 Repeals the aircraft registration rule in its entirety, as the reporting and registration requirements in the rule are obsolete. Aircrafts are now registered through the Office of Aeronautics, Department of Transportation, by using its aircraft registration application and procedures. Effective the day following final enactment.

Also repeals the following provisions related to the biotechnology and health science industry zone program, which under current law is set to sunset December 31, 2015, but for which no tax benefits have been available since 2005:

- Minn. Stat. § 290.06, subd. 30 (biotechnology and health science industry zone job credit); and
- Minn. Stat. § 290.06, subd. 31 (biotechnology and health science industry zone research and development credit) are repealed effective for taxable years beginning after December 31, 2015.
- Minn. Stat. § 289A.56, subd. 7 (interest payable on biotechnology and health science industry zone sales tax refunds);
- Minn. Stat. § 297A.68, subd. 38 (biotechnology and health science industry zone sales tax exemption);
- Minn. Stat. § 469.330 (biotechnology and health science industry zone definitions);
- Minn. Stat. § 469.331 (biotechnology and health science industry zone development plans);
- Minn. Stat. § 469.332 (biotechnology and health science industry zone zone limits);
- Minn. Stat. § 469.333 (applications for biotechnology and health science industry zone designations);
- Minn. Stat. § 469.334 (designation of biotechnology and health science industry zones);
- Minn. Stat. § 469.335 (application for biotechnology and health science industry zone tax benefits);
- Minn. Stat. § 469.336 (tax incentives available in biotechnology and health science industry zones);
- Minn. Stat. § 469.337 (corporate biotechnology and health science industry zone franchise tax exemption);
- Minn. Stat. § 469.338 (biotechnology and health science industry zone jobs credit);
- Minn. Stat. § 469.339 (biotechnology and health science industry zone research credit);
- Minn. Stat. § 469.340 (repayment of biotechnology and health science industry zone tax benefits); and
- Minn. Stat. § 469.341 (biotechnology and health science industry zone performance and remedies) are repealed effective January 1, 2016.