

MINNESOTA • REVENUE

DELINQUENT TAXES License Revocation

March 11, 2014

Department of Revenue
Analysis of S.F. 1756 (Rest) / H.F. 2657 (Davnie)

	Yes	No
DOR Administrative Costs/Savings		X

	<u>Fund Impact</u>			
	<u>F.Y. 2014</u>	<u>F.Y. 2015</u>	<u>F.Y. 2016</u>	<u>F.Y. 2017</u>
General Fund	\$0	\$0	\$0	\$0

Effective July 1, 2014.

EXPLANATION OF THE BILL

Current Law: If the Commissioner of Revenue notifies a state or local government licensing authority that a taxpayer owes delinquent taxes, penalties or interest, the licensing authority must revoke the taxpayer's license (or may not issue a license to the taxpayer). The licensing authority may issue, renew, or not revoke the license only if the delinquent tax is paid and the Commissioner issues a tax clearance certificate. This applies to most occupational and business licenses but not drivers' licenses or certain other licenses.

Before notifying the licensing authority, the Commissioner must notify the taxpayer of the intent to require license revocation and of the taxpayer's right to a hearing to contest the case.

If the applicant requests a hearing within 30 days of the date of the notice, a contested case hearing must be held. The Commissioner must refer the case to the Office of Administrative Hearings (OAH). A hearing must be held within 45 days of the date the case is referred to the OAH. A license must be revoked after the 30-day period to request a hearing has passed without a request for a hearing, or upon final determination of the hearing if one is requested.

The licensing authority may reissue the license only if the delinquent tax is paid and the Commissioner issues a tax clearance certificate.

Proposed Law: The bill specifies that the Commissioner could notify the licensing authority only after the required notice to the taxpayer and opportunity for a contested case hearing had been satisfied.

The bill requires the licensing authority to notify the license holder by certified mail within ten days after receiving a notification from the Commissioner. The notice would have to include a copy of the Commissioner's notice and information on receiving a tax clearance.

The licensing authority would have to revoke the license 30 days after receiving notice from the Commissioner unless it received a tax clearance.

REVENUE ANALYSIS DETAIL

- The bill modifies the procedure for revoking licenses. It does not change the tax base or rate for any tax. Therefore it will have no impact on state revenue.

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)

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