MINNESOTA·REVENUE

April 1, 2014

Senate Bill Companion Added

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 1885 (Davnie) / S.F. 2941 (Dziedzic)

	Fund Impact			
	F.Y. 2014	**F.Y. 2015**	**F.Y. 2016**	**F.Y. 2017**
	(000's)			
General Sales Tax	($16,300)	($400)	($670)	($830)
Cigarette Excise and Sales Taxes	$0	$0	$0	$0
Tobacco Products Excise Tax	($60)	(Negl.)	(Negl.)	(Negl.)
Alcoholic Beverages Excise Taxes	($60)	(Negl.)	(Negl.)	(Negl.)
General Fund Total	($16,420)	($400)	($670)	($830)
Natural Resources and Arts Funds	($940)	($20)	($40)	($50)
Total – All Funds	($17,360)	($420)	($710)	($880)

Effective for taxes remitted after May 30, 2014.

EXPLANATION OF THE BILL

Current Law: Taxpayers that are liable for the general sales and use tax, the cigarette excise and sales taxes, the tobacco products excise tax, and the alcoholic beverages excise taxes, and that have a liability of $120,000 or more during a fiscal year ending June 30, must pay 90% of the estimated June liability two business days before June 30. Several safe harbor provisions apply. Any additional tax not remitted in June is due by the following August 20th for the sales tax and August 18th for the other taxes.

Proposed Law: The bill would raise the fiscal year threshold for making an accelerated tax payment in June from $120,000 to $250,000. The change would begin with June 2014 liabilities.

REVENUE ANALYSIS DETAIL

- The estimates are based on payments received in 2013.
- The accelerated June payments by taxpayers with liabilities under $250,000 were identified.
- The threshold change would not affect the cigarette taxes. All taxpayers have liabilities over $250,000.
- Annual growth was based on the February 2014 state revenue forecast.

Number of Taxpayers: Approximately 2,500

Source: Minnesota Department of Revenue
Tax Research Division
www.revenue.state.mn.us/research_stats/Pages/
Revenue-Analyses.aspx

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