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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 2790

04/01/2019 Authored by Garofalo and Davids
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; requiring an annual report on taxes and migration; proposing
1.3 coding for new law in Minnesota Statutes, chapter 270C.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. [270C.132] REPORT ON TAXES AND MIGRATION.

1.6 (a) The commissioner must annually prepare a report on the effects of state tax policy
1.7 on the migration of residents between Minnesota and other states. The commissioner may
1.8 use existing sources of data, including publicly available data published by the Internal
1.9 Revenue Service, to fulfill the requirements of this section.

1.10 (b) The report must include the most recent data available on the number of tax returns
1.11 filed, exemptions claimed, and the amount of gross income earned by:

1.12 (1) Minnesota residents who moved to another state; and

1.13 (2) residents of another state who moved to Minnesota.

1.14 The report must also describe the net effect of migration on the number of returns filed,
1.15 exemptions claimed, and the amount of adjusted gross income earned by Minnesota residents.

1.16 (c) To the extent available, the report must include the most recent data available on the
1.17 net changes resulting from migration in the number of returns filed, exemptions claimed,
1.18 and the amount of adjusted gross income earned by taxpayers in the following adjusted
1.19 gross income ranges:

1.20 (1) under \$10,000;

1.21 (2) \$10,001 to \$25,000;

2.1 (3) \$25,001 to \$50,000;

2.2 (4) \$50,001 to \$75,000;

2.3 (5) \$75,001 to \$100,000;

2.4 (6) \$100,001 to \$200,000; and

2.5 (7) \$200,001 or greater.

2.6 (d) The report must include recommendations from the commissioner about how
2.7 Minnesota's tax system could be changed to reduce the rate of out-migration from Minneota
2.8 to other states and increase the rate of in-migration to Minnesota from other states.

2.9 (e) By January 15, 2020, and by January 15 of each subsequent year, the commissioner
2.10 must:

2.11 (1) transmit the report to the committees of the house of representatives and senate with
2.12 jurisdiction over taxes; and

2.13 (2) publish the report on its website.

2.14 **EFFECTIVE DATE.** This section is effective July 1, 2019.