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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 526

February 5, 2009

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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; sales and use; modifying filing requirements; amending
1.3 Minnesota Statutes 2008, sections 289A.11, subdivision 1; 289A.20, subdivision
1.4 4.

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

1.6 Section 1. Minnesota Statutes 2008, section 289A.11, subdivision 1, is amended to read:

1.7 Subdivision 1. **Return required.** (a) Except as provided in section 289A.18,
1.8 subdivision 4, for the month in which taxes imposed by chapter 297A are payable, or for
1.9 which a return is due, a return for the preceding reporting period must be filed with the
1.10 commissioner in the form and manner the commissioner prescribes. A person making
1.11 sales at retail at two or more places of business may file a consolidated return subject to
1.12 rules prescribed by the commissioner. In computing the dollar amount of items on the
1.13 return, the amounts are rounded off to the nearest whole dollar, disregarding amounts less
1.14 than 50 cents and increasing amounts of 50 cents to 99 cents to the next highest dollar.

1.15 (b) Notwithstanding this subdivision, a person who is not required to hold a sales tax
1.16 permit under chapter 297A and who makes annual purchases, for use in a trade or business,
1.17 of less than \$18,500, or a person who is not required to hold a sales tax permit and who
1.18 makes purchases for personal use, that are subject to the use tax imposed by section
1.19 297A.63, may file an annual use tax return on a form prescribed by the commissioner. If a
1.20 person who qualifies for an annual use tax reporting period is required to obtain a sales tax
1.21 permit or makes use tax purchases, for use in a trade or business, in excess of \$18,500
1.22 during the calendar year, the reporting period must be considered ended at the end of the
1.23 month in which the permit is applied for or the purchase in excess of \$18,500 is made and
1.24 a return must be filed for the preceding reporting period.

2.1 (c) Notwithstanding paragraph (a), a person prohibited by the person's religious
 2.2 beliefs from using electronics shall be allowed to file by mail, without any additional fees.
 2.3 The filer must notify the commissioner of revenue of the intent to file by mail on a form
 2.4 prescribed by the commissioner. A return filed under this paragraph must be postmarked
 2.5 no later than the day the return is due in order to be considered filed on a timely basis.

2.6 **EFFECTIVE DATE.** This section is effective for returns filed after June 30, 2009.

2.7 Sec. 2. Minnesota Statutes 2008, section 289A.20, subdivision 4, is amended to read:

2.8 Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and
 2.9 payable to the commissioner monthly on or before the 20th day of the month following the
 2.10 month in which the taxable event occurred, or following another reporting period as the
 2.11 commissioner prescribes or as allowed under section 289A.18, subdivision 4, paragraph
 2.12 (f) or (g), except that use taxes due on an annual use tax return as provided under section
 2.13 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

2.14 (b) A vendor having a liability of \$120,000 or more during a fiscal year ending June
 2.15 30 must remit the June liability for the next year in the following manner:

2.16 (1) Two business days before June 30 of the year, the vendor must remit 90 percent
 2.17 of the estimated June liability to the commissioner.

2.18 (2) On or before August 20 of the year, the vendor must pay any additional amount
 2.19 of tax not remitted in June.

2.20 (c) A vendor having a liability of:

2.21 (1) \$20,000 or more in the fiscal year ending June 30, 2005; or

2.22 (2) \$10,000 or more in the fiscal year ending June 30, 2006, and fiscal years
 2.23 thereafter,

2.24 must remit all liabilities on returns due for periods beginning in the subsequent calendar
 2.25 year by electronic means on or before the 20th day of the month following the month in
 2.26 which the taxable event occurred, or on or before the 20th day of the month following the
 2.27 month in which the sale is reported under section 289A.18, subdivision 4, except for 90
 2.28 percent of the estimated June liability, which is due two business days before June 30. The
 2.29 remaining amount of the June liability is due on August 20.

2.30 Notwithstanding paragraph (b), a person prohibited by the person's religious beliefs
 2.31 from paying electronically shall be allowed to remit the payment by mail. The filer must
 2.32 notify the commissioner of revenue of the intent to pay by mail before doing so on a
 2.33 form prescribed by the commissioner. No extra fee may be charged to a person making
 2.34 payment by mail under this paragraph. The payment must be postmarked at least two

3.1 business days before the due date for making the payment in order to be considered paid
3.2 on a timely basis.

3.3 **EFFECTIVE DATE.** This section is effective for payments remitted after June
3.4 30, 2009.