

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 1062**

(SENATE AUTHORS: WESTROM)

DATE  
02/01/2023

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Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to taxation; repealing the requirement for June accelerated payments for  
1.3 cigarette and tobacco taxes and liquor taxes; amending Minnesota Statutes 2022,  
1.4 sections 297F.09, subdivisions 1, 2; 297F.25, subdivision 2; repealing Minnesota  
1.5 Statutes 2022, sections 297F.09, subdivision 10; 297G.09, subdivision 9.

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

1.7 Section 1. Minnesota Statutes 2022, section 297F.09, subdivision 1, is amended to read:

1.8 Subdivision 1. **Monthly return; cigarette distributor.** On or before the 18th day of  
1.9 each calendar month, a distributor with a place of business in this state shall file a return  
1.10 with the commissioner showing the quantity of cigarettes manufactured or brought in from  
1.11 outside the state or purchased during the preceding calendar month and the quantity of  
1.12 cigarettes sold or otherwise disposed of in this state and outside this state during that month.  
1.13 A licensed distributor outside this state shall in like manner file a return showing the quantity  
1.14 of cigarettes shipped or transported into this state during the preceding calendar month. The  
1.15 commissioner shall prescribe the content, format, and manner of returns pursuant to section  
1.16 270C.30, and the returns must contain any other information required by the commissioner.  
1.17 The return must be accompanied by a remittance for the full unpaid tax liability shown by  
1.18 it. ~~For distributors subject to the accelerated tax payment requirements in subdivision 10,~~  
1.19 ~~the return for the May liability is due two business days before June 30th of the year and~~  
1.20 ~~the return for the June liability is due on or before August 18th of the year.~~

1.21 **EFFECTIVE DATE.** This section is effective beginning with June 2023 tax liabilities.

2.1 Sec. 2. Minnesota Statutes 2022, section 297F.09, subdivision 2, is amended to read:

2.2 Subd. 2. **Monthly return; tobacco products distributor.** On or before the 18th day of  
2.3 each calendar month, a distributor with a place of business in this state shall file a return  
2.4 with the commissioner showing the quantity and wholesale sales price of each tobacco  
2.5 product:

2.6 (1) brought, or caused to be brought, into this state for sale; and

2.7 (2) made, manufactured, or fabricated in this state for sale in this state, during the  
2.8 preceding calendar month.

2.9 Every licensed distributor outside this state shall in like manner file a return showing  
2.10 the quantity and wholesale sales price of each tobacco product shipped or transported to  
2.11 retailers in this state to be sold by those retailers, during the preceding calendar month.

2.12 Returns must be made in the form and manner prescribed by the commissioner and must  
2.13 contain any other information required by the commissioner. The return must be accompanied  
2.14 by a remittance for the full tax liability shown. ~~For distributors subject to the accelerated~~  
2.15 ~~tax payment requirements in subdivision 10, the return for the May liability is due two~~  
2.16 ~~business days before June 30th of the year and the return for the June liability is due on or~~  
2.17 ~~before August 18th of the year.~~

2.18 **EFFECTIVE DATE.** This section is effective beginning with June 2023 tax liabilities.

2.19 Sec. 3. Minnesota Statutes 2022, section 297F.25, subdivision 2, is amended to read:

2.20 Subd. 2. **Payment.** Each taxpayer must remit payments of the taxes to the commissioner  
2.21 on the same dates prescribed under section 297F.09, subdivision 1, for cigarette tax returns,  
2.22 ~~including the accelerated remittance of the June liability.~~

2.23 **EFFECTIVE DATE.** This section is effective beginning with June 2023 tax liabilities.

2.24 Sec. 4. **REPEALER.**

2.25 Minnesota Statutes 2022, sections 297F.09, subdivision 10; and 297G.09, subdivision  
2.26 9, are repealed.

2.27 **EFFECTIVE DATE.** This section is effective beginning with June 2023 tax liabilities.

**297F.09 RETURNS; PAYMENT OF TAX.**

Subd. 10. **Accelerated tax payment.** A cigarette distributor, tobacco products distributor, retailer, or out-of-state retailer having a liability of \$250,000 or more during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner:

(a) Two business days before June 30 of calendar year 2021, the distributor shall remit the actual May liability and 87.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner. Two business days before June 30 of calendar year 2022 and each calendar year thereafter, the distributor must remit the actual May liability and 84.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner.

(b) On or before August 18 of the year, the distributor, retailer, or out-of-state retailer shall submit a return showing the actual June liability and pay any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June, less the amount remitted in June. However, the penalty is not imposed if the amount remitted in June equals:

(1) for calendar year 2021, the lesser of 87.5 percent of the actual June liability for that calendar year or 87.5 percent of the May liability for that calendar year; or

(2) for calendar year 2022 and each calendar year thereafter, the lesser of 84.5 percent of the actual June liability for that calendar year or 84.5 percent of the May liability for that calendar year.

**297G.09 RETURNS; PAYMENT OF TAX.**

Subd. 9. **Accelerated tax payment; penalty.** A person liable for tax under this chapter having a liability of \$250,000 or more during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner:

(a) Two business days before June 30 of calendar year 2021, the taxpayer shall remit the actual May liability and 87.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner. Two business days before June 30 of calendar year 2022 and each calendar year thereafter, the distributor must remit the actual May liability and 84.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner.

(b) On or before August 18 of the year, the taxpayer shall submit a return showing the actual June liability and pay any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June less the amount remitted in June. However, the penalty is not imposed if the amount remitted in June equals:

(1) for calendar year 2021, the lesser of 87.5 percent of the actual June liability for that calendar year or 87.5 percent of the May liability for that calendar year; or

(2) for calendar year 2022 and each calendar year thereafter, the lesser of 84.5 percent of the actual June liability for that calendar year or 84.5 percent of the May liability for that calendar year.