

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 1427

(SENATE AUTHORS: MURPHY, Boldon and Port)

DATE
02/08/2023

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Introduction and first reading
Referred to Elections

OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to campaign finance; enacting a Democracy Dollar coupon program;

1.3 repealing the political contribution refund program; authorizing rulemaking;

1.4 amending Minnesota Statutes 2022, sections 10A.01, subdivision 11; 10A.02,

1.5 subdivision 13; 10A.15, subdivision 1; 10A.20, subdivision 3; 10A.34, subdivision

1.6 4; 289A.37, subdivision 2; 289A.50, subdivision 1; 290.01, subdivision 6; proposing

1.7 coding for new law as Minnesota Statutes, chapter 10B; repealing Minnesota

1.8 Statutes 2022, sections 13.4967, subdivision 2; 290.06, subdivision 23.

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

1.10 Section 1. Minnesota Statutes 2022, section 10A.01, subdivision 11, is amended to read:

1.11 Subd. 11. **Contribution.** (a) "Contribution" means money, a negotiable instrument,

1.12 Democracy Dollar coupon redemption under chapter 10B, or a donation in kind that is given

1.13 to a political committee, political fund, principal campaign committee, local candidate, or

1.14 party unit. An allocation by an association of general treasury money to be used for activities

1.15 that must be or are reported through the association's political fund is considered to be a

1.16 contribution for the purposes of disclosure required by this chapter.

1.17 (b) "Contribution" includes a loan or advance of credit to a political committee, political

1.18 fund, principal campaign committee, local candidate, or party unit, if the loan or advance

1.19 of credit is: (1) forgiven; or (2) repaid by an individual or an association other than the

1.20 political committee, political fund, principal campaign committee, local candidate, or party

1.21 unit to which the loan or advance of credit was made. If an advance of credit or a loan is

1.22 forgiven or repaid as provided in this paragraph, it is a contribution in the year in which the

1.23 loan or advance of credit was made.

1.24 (c) "Contribution" does not include services provided without compensation by an

1.25 individual volunteering personal time on behalf of a candidate, local candidate, ballot

2.1 question, political committee, political fund, principal campaign committee, or party unit;
2.2 the publishing or broadcasting of news items or editorial comments by the news media; or
2.3 an individual's unreimbursed personal use of an automobile owned by the individual while
2.4 volunteering personal time.

2.5 Sec. 2. Minnesota Statutes 2022, section 10A.02, subdivision 13, is amended to read:

2.6 Subd. 13. **Rules.** (a) Chapter 14 applies to the board. The board may adopt rules to carry
2.7 out the purposes of this chapter and chapter 10B.

2.8 (b) In addition to the notice required under chapter 14, the board shall notify the chairs
2.9 and ranking minority members of the committees or subcommittees in the senate and house
2.10 of representatives with primary jurisdiction over elections within seven calendar days of
2.11 taking the following actions:

2.12 (1) publication of a notice of intent to adopt rules or a notice of hearing;

2.13 (2) publication of proposed rules in the State Register;

2.14 (3) issuance of a statement of need and reasonableness; or

2.15 (4) adoption of final rules.

2.16 Sec. 3. Minnesota Statutes 2022, section 10A.15, subdivision 1, is amended to read:

2.17 Subdivision 1. **Anonymous contributions.** A political committee, political fund, principal
2.18 campaign committee, or party unit may not retain an anonymous contribution in excess of
2.19 \$20, but must forward it to the board for deposit in the general account of the state elections
2.20 campaign account. An anonymous contribution is not an eligible contribution for purposes
2.21 of qualifying for the Democracy Dollar coupon program established in chapter 10B.

2.22 Sec. 4. Minnesota Statutes 2022, section 10A.20, subdivision 3, is amended to read:

2.23 Subd. 3. **Contents of report.** (a) The report required by this section must include each
2.24 of the items listed in paragraphs (b) to ~~(q)~~ (r) that are applicable to the filer. The board shall
2.25 prescribe forms based on filer type indicating which of those items must be included on the
2.26 filer's report.

2.27 (b) The report must disclose the amount of liquid assets on hand at the beginning of the
2.28 reporting period.

2.29 (c) The report must disclose the name, address, employer, or occupation if self-employed,
2.30 and registration number if registered with the board, of each individual or association that

3.1 has made one or more contributions to the reporting entity, including the purchase of tickets
3.2 for a fundraising effort, that in aggregate within the year exceed \$200 for legislative or
3.3 statewide candidates or more than \$500 for ballot questions, together with the amount and
3.4 date of each contribution, and the aggregate amount of contributions within the year from
3.5 each source so disclosed. A donation in kind must be disclosed at its fair market value. An
3.6 approved expenditure must be listed as a donation in kind. A donation in kind is considered
3.7 consumed in the reporting period in which it is received. The names of contributors must
3.8 be listed in alphabetical order. Contributions from the same contributor must be listed under
3.9 the same name. When a contribution received from a contributor in a reporting period is
3.10 added to previously reported unitemized contributions from the same contributor and the
3.11 aggregate exceeds the disclosure threshold of this paragraph, the name, address, and
3.12 employer, or occupation if self-employed, of the contributor must then be listed on the
3.13 report.

3.14 (d) The report must disclose the aggregate number and value of all Democracy Dollar
3.15 coupons redeemed for a contribution under chapter 10B by the reporting entity during the
3.16 reporting period.

3.17 (e) The report must disclose the sum of contributions to the reporting entity during the
3.18 reporting period.

3.19 ~~(e)~~ (f) The report must disclose each loan made or received by the reporting entity within
3.20 the year in aggregate in excess of \$200, continuously reported until repaid or forgiven,
3.21 together with the name, address, occupation, principal place of business, if any, and
3.22 registration number if registered with the board of the lender and any endorser and the date
3.23 and amount of the loan. If a loan made to the principal campaign committee of a candidate
3.24 is forgiven or is repaid by an entity other than that principal campaign committee, it must
3.25 be reported as a contribution for the year in which the loan was made.

3.26 ~~(f)~~ (g) The report must disclose each receipt over \$200 during the reporting period not
3.27 otherwise listed under paragraphs (c) to ~~(e)~~ (f).

3.28 ~~(g)~~ (h) The report must disclose the sum of all receipts of the reporting entity during the
3.29 reporting period.

3.30 ~~(h)~~ (i) The report must disclose the name, address, and registration number if registered
3.31 with the board of each individual or association to whom aggregate expenditures, approved
3.32 expenditures, independent expenditures, and ballot question expenditures have been made
3.33 by or on behalf of the reporting entity within the year in excess of \$200, together with the
3.34 amount, date, and purpose of each expenditure, including an explanation of how the

4.1 expenditure was used, and the name and address of, and office sought by, each candidate
4.2 or local candidate on whose behalf the expenditure was made, identification of the ballot
4.3 question that the expenditure was intended to promote or defeat and an indication of whether
4.4 the expenditure was to promote or to defeat the ballot question, and in the case of independent
4.5 expenditures made in opposition to a candidate or local candidate, the candidate's or local
4.6 candidate's name, address, and office sought. A reporting entity making an expenditure on
4.7 behalf of more than one candidate or local candidate must allocate the expenditure among
4.8 the candidates and local candidates on a reasonable cost basis and report the allocation for
4.9 each candidate or local candidate. The report must list on separate schedules any independent
4.10 expenditures made on behalf of local candidates and any expenditures made for ballot
4.11 questions as defined in section 10A.01, subdivision 7, clause (2), (3), or (4).

4.12 ~~(h)~~ (j) The report must disclose the sum of all expenditures made by or on behalf of the
4.13 reporting entity during the reporting period.

4.14 ~~(h)~~ (k) The report must disclose the amount and nature of an advance of credit incurred
4.15 by the reporting entity, continuously reported until paid or forgiven. If an advance of credit
4.16 incurred by the principal campaign committee of a candidate is forgiven by the creditor or
4.17 paid by an entity other than that principal campaign committee, it must be reported as a
4.18 donation in kind for the year in which the advance of credit was made.

4.19 ~~(h)~~ (l) The report must disclose the name, address, and registration number if registered
4.20 with the board of each political committee, political fund, principal campaign committee,
4.21 local candidate, or party unit to which contributions have been made that aggregate in excess
4.22 of \$200 within the year and the amount and date of each contribution. The report must list
4.23 on separate schedules any contributions made to state candidates' principal campaign
4.24 committees and any contributions made to local candidates.

4.25 ~~(h)~~ (m) The report must disclose the sum of all contributions made by the reporting entity
4.26 during the reporting period and must separately disclose the sum of all contributions made
4.27 to local candidates by the reporting entity during the reporting period.

4.28 ~~(m)~~ (n) The report must disclose the name, address, and registration number if registered
4.29 with the board of each individual or association to whom noncampaign disbursements have
4.30 been made that aggregate in excess of \$200 within the year by or on behalf of the reporting
4.31 entity and the amount, date, and purpose of each noncampaign disbursement, including an
4.32 explanation of how the expenditure was used.

4.33 ~~(n)~~ (o) The report must disclose the sum of all noncampaign disbursements made within
4.34 the year by or on behalf of the reporting entity.

5.1 ~~(o)~~ (p) The report must disclose the name and address of a nonprofit corporation that
 5.2 provides administrative assistance to a political committee or political fund as authorized
 5.3 by section 211B.15, subdivision 17, the type of administrative assistance provided, and the
 5.4 aggregate fair market value of each type of assistance provided to the political committee
 5.5 or political fund during the reporting period.

5.6 ~~(p)~~ (q) Legislative, statewide, and judicial candidates, party units, and political committees
 5.7 and funds must itemize contributions that in aggregate within the year exceed \$200 for
 5.8 legislative or statewide candidates or more than \$500 for ballot questions on reports submitted
 5.9 to the board. The itemization must include the date on which the contribution was received,
 5.10 the individual or association that provided the contribution, and the address of the contributor.
 5.11 Additionally, the itemization for a donation in kind must provide a description of the item
 5.12 or service received. Contributions that are less than the itemization amount must be reported
 5.13 as an aggregate total.

5.14 ~~(q)~~ (r) Legislative, statewide, and judicial candidates, party units, political committees
 5.15 and funds, and committees to promote or defeat a ballot question must itemize expenditures
 5.16 and noncampaign disbursements that in aggregate exceed \$200 in a calendar year on reports
 5.17 submitted to the board. The itemization must include the date on which the committee made
 5.18 or became obligated to make the expenditure or disbursement, the name and address of the
 5.19 vendor that provided the service or item purchased, and a description of the service or item
 5.20 purchased, including an explanation of how the expenditure was used. Expenditures and
 5.21 noncampaign disbursements must be listed on the report alphabetically by vendor.

5.22 Sec. 5. Minnesota Statutes 2022, section 10A.34, subdivision 4, is amended to read:

5.23 Subd. 4. **Penalty for violations of chapter 10B or 211B under board's jurisdiction.** If
 5.24 a civil penalty is not specified in chapter 10B, or a section of chapter 211B brought under
 5.25 the board's jurisdiction by section 10A.022, subdivision 3, the board may impose a civil
 5.26 penalty of up to \$3,000.

5.27 Sec. 6. **[10B.01] DEFINITIONS.**

5.28 Except where otherwise provided, the definitions in section 10A.01 apply to this chapter.

5.29 Sec. 7. **[10B.02] ISSUANCE OF DEMOCRACY DOLLAR COUPONS.**

5.30 Subdivision 1. **Issuance of coupons to eligible contributors.** (a) No later than March
 5.31 1 of each year, the secretary of state must provide a set of two Democracy Dollar coupons
 5.32 to every person with an active registration in the Statewide Voter Registration System as

6.1 of the previous December 31. Each coupon within the set must be redeemable by a qualifying
6.2 principal campaign committee or political party unit for a contribution of \$25 to that
6.3 committee or party unit, as directed by the individual to whom the coupon was issued. An
6.4 individual coupon may not be divided into smaller increments. The secretary of state must
6.5 provide an option for an individual to request to receive the coupon in an electronic format.

6.6 (b) A person may request that the coupon be delivered to a physical or electronic address
6.7 that is other than that indicated in the person's voter registration record, provided that the
6.8 alternate physical address is in Minnesota.

6.9 Subd. 2. **Opt-in.** Any individual who is otherwise eligible to vote in Minnesota, but not
6.10 registered, may submit a written request to the secretary of state for issuance of a set of
6.11 coupons under subdivision 1. A request under this subdivision may be submitted to the
6.12 secretary of state between January 1 and July 1 of each year. The secretary of state must
6.13 prescribe a form for this purpose. Upon verification that the individual is eligible to receive
6.14 a set of coupons, the secretary of state must deliver the coupons to the eligible individual
6.15 no later than October 1 of that year.

6.16 **Sec. 8. [10B.03] FORM OF COUPON; RULEMAKING.**

6.17 (a) The Campaign Finance and Public Disclosure Board must adopt rules using the
6.18 expedited process in section 14.389 to establish the form of the Democracy Dollar coupon.

6.19 (b) At a minimum, the coupon must:

6.20 (1) require the holder to indicate the name of an eligible candidate or political party unit
6.21 to which the value of the coupon is to be assigned;

6.22 (2) provide space for the holder's name, address, original signature, and a statement by
6.23 the holder attesting to the holder's understanding of the laws and rules governing the
6.24 Democracy Dollar coupon program;

6.25 (3) include a clear indication that the coupon has no cash value, is not transferable, and
6.26 may be assigned only as provided in the laws and rules governing the coupon program; and

6.27 (4) be in a form that permits third parties to utilize a secure application programming
6.28 interface or other internet-based system to facilitate the assignment and redemption of
6.29 coupons.

7.1 **Sec. 9. [10B.04] ASSIGNMENT, DELIVERY, AND RECEIPT OF COUPON.**

7.2 **Subdivision 1. Assignment.** (a) Democracy Dollar coupons are only assignable as
7.3 authorized by this section.

7.4 (b) A person lawfully holding a coupon may assign it to a qualified candidate or political
7.5 party unit by completing the information required under section 10B.03 and delivering the
7.6 coupon to the board, a qualified candidate, or a representative of a qualified candidate or
7.7 political party unit.

7.8 **Subd. 2. Delivery.** A properly assigned Democracy Dollar coupon may be delivered to
7.9 the qualified candidate or political party unit by mail, in person, electronically through the
7.10 board's website, or electronically using a secure application programming interface or other
7.11 internet-based system that meets standards approved by the board. The holder of a coupon
7.12 may designate an agent to deliver an assigned coupon in person. The board must establish
7.13 a secure, user-friendly online system for electronic delivery of assigned coupons. A qualified
7.14 candidate or a representative of a qualified candidate or political party unit may assist a
7.15 holder in accessing the online system for delivery of an assigned coupon.

7.16 **Subd. 3. Deadline for assignment and redemption.** A Democracy Dollar coupon is
7.17 valid for a contribution redemption only if assigned to a qualified candidate or political
7.18 party unit no later than 30 days following the date of the next state general election occurring
7.19 after the coupon was issued and submitted for redemption by the qualified candidate or
7.20 political party unit by December 31 of that year.

7.21 **Subd. 4. Status of coupon if voter becomes ineligible to vote.** A coupon is invalid if
7.22 the holder to which it was issued becomes ineligible to vote in Minnesota before the coupon
7.23 is assigned.

7.24 **Subd. 5. Assignment is irrevocable.** The valid assignment and delivery of a coupon is
7.25 irrevocable, except that a coupon may be re-assigned to another recipient if the board
7.26 determines that the assigned recipient is ineligible to redeem it. In making an assignment,
7.27 the holder of the coupon assumes the risk that the coupon may not be redeemed by the
7.28 candidate or political party unit to which it is assigned.

7.29 **Subd. 6. Chapter 325L applies.** Chapter 325L applies to Democracy Dollar coupons
7.30 assigned, delivered, or submitted for redemption under this chapter in an electronic format.

7.31 **Sec. 10. [10B.05] NO CASH VALUE.**

7.32 Democracy Dollar coupons have no cash value and are not assets, income, or the property
7.33 of the holder to which a coupon is issued.

8.1 Sec. 11. **[10B.06] PROHIBITIONS.**

8.2 Assignment or transfer of a Democracy Dollar coupon for cash or other consideration
8.3 is prohibited. A person may not offer to purchase, buy, or sell a coupon and may not transfer
8.4 it as a gift to any other person. A coupon may not be assigned by proxy, power of attorney,
8.5 or agent.

8.6 Sec. 12. **[10B.07] QUALIFICATION OF CANDIDATES AND POLITICAL**
8.7 **PARTIES.**

8.8 Subdivision 1. Candidate qualification. (a) To be qualified for assignment or redemption
8.9 of a Democracy Dollar coupon, a candidate must, as of the time the coupon is assigned and
8.10 redeemed:

8.11 (1) have designated a principal campaign committee that is currently registered under
8.12 chapter 10A;

8.13 (2) be seeking an office for which voluntary spending limits are specified in section
8.14 10A.25; and

8.15 (3) have signed and be currently bound by an agreement governed by section 10A.322.

8.16 (b) A candidate is no longer qualified to receive by assignment or redeem a coupon if
8.17 the candidate fails to advance to a general election following a primary election for the
8.18 office to which the candidate is seeking election or if the candidate is determined to be in
8.19 violation of the terms of the agreement to limit campaign expenditures provided in section
8.20 10A.322.

8.21 Subd. 2. Political party unit qualification. A Democracy Dollar coupon may be assigned
8.22 to and redeemed by a unit of a major political party unit as defined in section 200.02,
8.23 subdivision 7, or a minor political party unit qualifying for inclusion on the income tax or
8.24 property tax refund form under section 10A.31, subdivision 3a.

8.25 Sec. 13. **[10B.08] REDEMPTION OF COUPONS; DISTRIBUTION OF**
8.26 **CONTRIBUTIONS.**

8.27 Subdivision 1. Redemption value cap. (a) As used in this section, the "redemption
8.28 value cap" means the maximum aggregate dollar value of coupons that may be redeemed
8.29 by qualified candidates and political parties in a calendar year.

8.30 (b) For calendar years 2024 and 2025, and each two-year period thereafter until an
8.31 increase is required under this paragraph, the redemption value cap for each year is an

9.1 amount equal to eight percent of the total dollar value of all coupons issued by the secretary
9.2 of state in that year. If, as of December 31 of an even-numbered year, the dollar value of
9.3 all coupons redeemed during that year and the immediately preceding odd-numbered year
9.4 exceeds 75 percent of the aggregated redemption value cap for those two years, the
9.5 redemption value cap must be increased by an additional two percent of the total value of
9.6 all coupons issued by the secretary of state each year, beginning in the next odd-numbered
9.7 year and for every year thereafter. The redemption value cap may be subsequently increased
9.8 in two percent increments according to the standards in this paragraph but may not exceed
9.9 16 percent of the total value of coupons issued unless otherwise expressly authorized by
9.10 law. No later than January 30 of each year, the board, in consultation with the commissioner
9.11 of management and budget, must certify the applicable redemption value cap that applies
9.12 during that year.

9.13 Subd. 2. **Redemption procedures.** A candidate or political party unit that has been
9.14 assigned a Democracy Dollar coupon may submit it to the board for redemption. Assigned
9.15 coupons submitted directly to the board by the holder to which the coupon was issued are
9.16 presumed submitted for redemption on behalf of the assigned candidate or party unit.

9.17 Subd. 3. **Verification.** (a) The board must verify the following before redeeming a
9.18 coupon:

9.19 (1) the qualification of the receiving candidate or political party unit;

9.20 (2) the eligibility of the person to whom the coupon was issued;

9.21 (3) whether redemption of the coupon would result in the candidate receiving a
9.22 contribution in excess of the amounts authorized by law; and

9.23 (4) whether redemption of the coupon would cause the total dollar value of redeemed
9.24 coupons to exceed the redemption value cap.

9.25 (b) The board may require the assigned candidate or political party unit to submit
9.26 documents or records necessary to complete the verifications required by this subdivision.
9.27 The eligibility of the person to whom a coupon is issued must be confirmed by the secretary
9.28 of state.

9.29 (c) The board must provide a notice to the original holder of a coupon and to the assigned
9.30 recipient if a coupon cannot be verified as eligible for redemption, the reason the coupon
9.31 could not be verified or redeemed, and, if applicable, instructions for re-assigning the coupon
9.32 to another eligible recipient.

10.1 Subd. 4. **Distribution of contribution.** Upon determination that the coupon is valid for
10.2 redemption, the board must disburse the value of the coupon to the assigned candidate's
10.3 principal campaign committee or to the treasurer of the assigned political party unit. The
10.4 board may adopt procedures for disbursement of the contribution through an electronic
10.5 funds transfer to the committee or party unit. These procedures are exempt from chapter
10.6 14, and section 14.386 does not apply.

10.7 Subd. 5. **Effect of coupons on contribution reporting and limits.** The value of the
10.8 coupon, once redeemed, must be recorded as a contribution made in the name of the person
10.9 to whom the coupon is issued. Redeemed coupons must be included in the calculation of
10.10 that person's contributions for purposes of reporting under section 10A.20, subdivision 3,
10.11 and for purposes of the contribution limits established in section 10A.27.

10.12 Subd. 6. **Redemption and distribution schedule.** The board must promptly verify all
10.13 assigned coupons received by the board, regardless of the method of submission. The board
10.14 must redeem all properly verified coupons and distribute contributions on a regular schedule,
10.15 no less than two times per month, no less than one time per week beginning 60 days prior
10.16 to the date of a state primary or state general election, and, to the extent practical, no less
10.17 than one time per week during the campaign period preceding a special primary or special
10.18 general election as determined by the board.

10.19 Subd. 7. **Appropriation.** Amounts necessary to redeem coupons and distribute the
10.20 resulting contributions required under this chapter are appropriated annually from the general
10.21 fund to the board. The amount appropriated to the board may not exceed the redemption
10.22 value cap in any year.

10.23 Sec. 14. **[10B.09] USE OF CONTRIBUTION.**

10.24 A contribution received by a principal campaign committee or political party unit under
10.25 this chapter may only be used for purposes authorized under chapter 10A or section 211B.12.

10.26 Sec. 15. **[10B.10] RETURN OF PROCEEDS; RULEMAKING.**

10.27 (a) A candidate who has redeemed a Democracy Dollar coupon and subsequently
10.28 withdraws as a candidate for office, dies, becomes ineligible, loses qualification, is defeated
10.29 in a primary or general election, or is elected at a general election must, within a reasonable
10.30 period, return any unspent coupon contribution proceeds to the board.

10.31 (b) The board must adopt rules using the expedited rulemaking process in section 14.389
10.32 to establish accounting standards and other requirements for compliance with this section.

11.1 Sec. 16. **[10B.11] VIOLATIONS; ENFORCEMENT.**

11.2 The board may make audits and investigations with respect to the requirements of this
 11.3 chapter, consistent with the authority, procedures, and remedies provided in sections 10A.022
 11.4 and 10A.34.

11.5 Sec. 17. Minnesota Statutes 2022, section 289A.37, subdivision 2, is amended to read:

11.6 Subd. 2. **Erroneous refunds.** (a) Except as provided in paragraph (b), an erroneous
 11.7 refund occurs when the commissioner issues a payment to a person that exceeds the amount
 11.8 the person is entitled to receive under law. An erroneous refund is considered an
 11.9 underpayment of tax on the date issued.

11.10 (b) To the extent that the amount paid does not exceed the amount claimed by the
 11.11 taxpayer, an erroneous refund does not include the following:

11.12 (1) any amount of a refund or credit paid pursuant to a claim for refund filed by a
 11.13 taxpayer, including but not limited to refunds of claims made under section ~~290.06,~~
 11.14 ~~subdivision 23;~~ 290.067; 290.0671; 290.0672; 290.0674; 290.0675; 290.0677; 290.068;
 11.15 290.0681; or 290.0692; or chapter 290A; or

11.16 (2) any amount paid pursuant to a claim for refund of an overpayment of tax filed by a
 11.17 taxpayer.

11.18 (c) The commissioner may make an assessment to recover an erroneous refund at any
 11.19 time within two years from the issuance of the erroneous refund. If all or part of the erroneous
 11.20 refund was induced by fraud or misrepresentation of a material fact, the assessment may
 11.21 be made at any time.

11.22 (d) Assessments of amounts that are not erroneous refunds under paragraph (b) must be
 11.23 conducted under sections 289A.38 to 289A.382.

11.24 Sec. 18. Minnesota Statutes 2022, section 289A.50, subdivision 1, is amended to read:

11.25 Subdivision 1. **General right to refund.** (a) Subject to the requirements of this section
 11.26 and section 289A.40, a taxpayer who has paid a tax in excess of the taxes lawfully due and
 11.27 who files a written claim for refund will be refunded or credited the overpayment of the tax
 11.28 determined by the commissioner to be erroneously paid.

11.29 (b) The claim must specify the name of the taxpayer, the date when and the period for
 11.30 which the tax was paid, the kind of tax paid, the amount of the tax that the taxpayer claims
 11.31 was erroneously paid, the grounds on which a refund is claimed, and other information

12.1 relative to the payment and in the form required by the commissioner. An income tax, estate
 12.2 tax, or corporate franchise tax return, or amended return claiming an overpayment constitutes
 12.3 a claim for refund.

12.4 (c) When, in the course of an examination, and within the time for requesting a refund,
 12.5 the commissioner determines that there has been an overpayment of tax, the commissioner
 12.6 shall refund or credit the overpayment to the taxpayer and no demand is necessary. If the
 12.7 overpayment exceeds \$1, the amount of the overpayment must be refunded to the taxpayer.
 12.8 If the amount of the overpayment is less than \$1, the commissioner is not required to refund.
 12.9 In these situations, the commissioner does not have to make written findings or serve notice
 12.10 by mail to the taxpayer.

12.11 (d) If the amount allowable as a credit for withholding, estimated taxes, or dependent
 12.12 care exceeds the tax against which the credit is allowable, the amount of the excess is
 12.13 considered an overpayment. ~~The refund allowed by section 290.06, subdivision 23, is also~~
 12.14 ~~considered an overpayment.~~ The requirements of section 270C.33 do not apply to the
 12.15 refunding of such an overpayment shown on the original return filed by a taxpayer.

12.16 (e) If the entertainment tax withheld at the source exceeds by \$1 or more the taxes,
 12.17 penalties, and interest reported in the return of the entertainment entity or imposed by section
 12.18 290.9201, the excess must be refunded to the entertainment entity. If the excess is less than
 12.19 \$1, the commissioner need not refund that amount.

12.20 (f) If the surety deposit required for a construction contract exceeds the liability of the
 12.21 out-of-state contractor, the commissioner shall refund the difference to the contractor.

12.22 (g) An action of the commissioner in refunding the amount of the overpayment does not
 12.23 constitute a determination of the correctness of the return of the taxpayer.

12.24 (h) There is appropriated from the general fund to the commissioner of revenue the
 12.25 amount necessary to pay refunds allowed under this section.

12.26 Sec. 19. Minnesota Statutes 2022, section 290.01, subdivision 6, is amended to read:

12.27 Subd. 6. **Taxpayer.** The term "taxpayer" means any person or corporation subject to a
 12.28 tax imposed by this chapter. ~~For purposes of section 290.06, subdivision 23, the term~~
 12.29 ~~"taxpayer" means an individual eligible to vote in Minnesota under section 201.014.~~

13.1 Sec. 20. **POLITICAL CONTRIBUTIONS REFUND; CALENDAR YEAR 2022 AND**
13.2 **2023 CONTRIBUTIONS AND RECEIPTS.**

13.3 Notwithstanding the repeal of the political contribution refund in section 21, the
13.4 commissioner of revenue must continue to pay refunds for political contributions made in
13.5 calendar year 2022 for claims filed by April 15, 2023, and calendar year 2023 for claims
13.6 filed by April 15, 2024. A candidate or political party unit may not issue political contribution
13.7 refund receipts after July 1, 2023.

13.8 Sec. 21. **REPEALER.**

13.9 Minnesota Statutes 2022, sections 13.4967, subdivision 2; and 290.06, subdivision 23,
13.10 are repealed.

13.11 Sec. 22. **EFFECTIVE DATE; RULEMAKING.**

13.12 This act is effective January 1, 2024, except that the Campaign Finance and Public
13.13 Disclosure Board may proceed to propose and adopt administrative rules required by this
13.14 article beginning the day following final enactment.

13.4967 OTHER TAX DATA CODED ELSEWHERE.

Subd. 2. **Political contribution refund.** Certain political contribution refund data in the Revenue Department are classified under section 290.06, subdivision 23.

290.06 RATES OF TAX; CREDITS.

Subd. 23. **Refund of contributions to political parties and candidates.** (a) A taxpayer may claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to a political party. The maximum refund for an individual must not exceed \$50 and for a married couple, filing jointly, must not exceed \$100. A refund of a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the chair or treasurer of the party unit, after the contribution was received. The receipt forms must be numbered, and the data on the receipt that are not public must be made available to the campaign finance and public disclosure board upon its request. A claim must be filed with the commissioner no sooner than January 1 of the calendar year in which the contribution was made and no later than April 15 of the calendar year following the calendar year in which the contribution was made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution was made must include interest at the rate specified in section 270C.405.

(b) No refund is allowed under this subdivision for a contribution to a candidate unless the candidate:

- (1) has signed an agreement to limit campaign expenditures as provided in section 10A.322;
- (2) is seeking an office for which voluntary spending limits are specified in section 10A.25; and
- (3) has designated a principal campaign committee.

This subdivision does not limit the campaign expenditures of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a.

A "major party" or "minor party" includes the aggregate of that party's organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

"Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a candidate for judicial office.

"Contribution" means a gift of money.

(d) The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The commissioner shall report to the campaign finance and public disclosure board by each August 1 a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

(g) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

(h) For a taxpayer who files a claim for refund via the Internet or other electronic means, the commissioner may accept the number on the official receipt as documentation that a contribution was made rather than the actual receipt as required by paragraph (a).