

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

S.F. No. 2194

(SENATE AUTHORS: DZIEDZIC)

DATE
03/18/2021

D-PG

Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; sales and use tax; reducing the percentage of June accelerated
1.3 tax liability of certain vendors based on the November forecast; amending
1.4 Minnesota Statutes 2020, sections 16A.152, subdivision 2; 289A.20, subdivision
1.5 4.

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

1.7 Section 1. Minnesota Statutes 2020, section 16A.152, subdivision 2, is amended to read:

1.8 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund
1.9 revenues and expenditures, the commissioner of management and budget determines that
1.10 there will be a positive unrestricted budgetary general fund balance at the close of the
1.11 biennium, the commissioner of management and budget must allocate money to the following
1.12 accounts and purposes in priority order:

1.13 (1) the cash flow account established in subdivision 1 until that account reaches
1.14 \$350,000,000;

1.15 (2) the budget reserve account established in subdivision 1a until that account reaches
1.16 \$1,596,522,000;

1.17 (3) the amount necessary to increase the aid payment schedule for school district aids
1.18 and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest
1.19 tenth of a percent without exceeding the amount available and with any remaining funds
1.20 deposited in the budget reserve;

1.21 (4) the amount necessary to restore all or a portion of the net aid reductions under section
1.22 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75,
1.23 subdivision 5, by the same amount;

2.1 ~~(5) the clean water fund established in section 114D.50 until \$22,000,000 has been~~
 2.2 ~~transferred into the fund; and~~

2.3 ~~(6) (5) the amount necessary to increase the Minnesota 21st century fund by not more~~
 2.4 ~~than the difference between \$5,000,000 and the sum of the amounts credited and canceled~~
 2.5 ~~to it in the previous 12 months under Laws 2020, chapter 71, article 1, section 11, until the~~
 2.6 ~~sum of all transfers under this section and all amounts credited or canceled under Laws~~
 2.7 ~~2020, chapter 71, article 1, section 11, equals \$20,000,000; and~~

2.8 (6) for a forecast in November only, the amount necessary to reduce the percentage of
 2.9 accelerated June liability sales tax payments required under section 289A.20, subdivision
 2.10 4, paragraph (b), until the percentage equals zero, rounded to the nearest tenth of a percent
 2.11 with any remaining funds deposited in the budget reserve. By March 1 each year the
 2.12 commissioner of revenue must certify the percentage of June liability owed by qualifying
 2.13 vendors based on the reduction required by this clause.

2.14 (b) The amounts necessary to meet the requirements of this section are appropriated
 2.15 from the general fund within two weeks after the forecast is released or, in the case of
 2.16 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations
 2.17 schedules otherwise established in statute.

2.18 (c) The commissioner of management and budget shall certify the total dollar amount
 2.19 of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education.
 2.20 The commissioner of education shall increase the aid payment percentage and reduce the
 2.21 property tax shift percentage by these amounts and apply those reductions to the current
 2.22 fiscal year and thereafter.

2.23 ~~(d) Paragraph (a), clause (5), expires after the entire amount of the transfer has been~~
 2.24 ~~made.~~

2.25 **EFFECTIVE DATE.** This section is effective July 1, 2021.

2.26 Sec. 2. Minnesota Statutes 2020, section 289A.20, subdivision 4, is amended to read:

2.27 Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and payable
 2.28 to the commissioner monthly on or before the 20th day of the month following the month
 2.29 in which the taxable event occurred, or following another reporting period as the
 2.30 commissioner prescribes or as allowed under section 289A.18, subdivision 4, paragraph (f)
 2.31 or (g), except that use taxes due on an annual use tax return as provided under section
 2.32 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

3.1 (b) A vendor having a liability of \$250,000 or more during a fiscal year ending June 30
3.2 must remit the June liability for the next year in the following manner:

3.3 (1) Two business days before June 30 of calendar year 2020 and 2021, the vendor must
3.4 remit 87.5 percent of the estimated June liability to the commissioner. Two business days
3.5 before June 30 of calendar year 2022 and thereafter, the vendor must remit 84.5 percent, or
3.6 a reduced percentage as certified by the commissioner under section 16A.152, subdivision
3.7 2, paragraph (a), clause (6), of the estimated June liability to the commissioner.

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

3.10 (c) A vendor having a liability of:

3.11 (1) \$10,000 or more, but less than \$250,000₂, during a fiscal year ~~ending June 30, 2013,~~
3.12 ~~and fiscal years thereafter~~, must remit by electronic means all liabilities on returns due for
3.13 periods beginning in all subsequent calendar years on or before the 20th day of the month
3.14 following the month in which the taxable event occurred, or on or before the 20th day of
3.15 the month following the month in which the sale is reported under section 289A.18,
3.16 subdivision 4; or

3.17 (2) \$250,000 or more~~;~~ during a fiscal year ~~ending June 30, 2013, and fiscal years~~
3.18 ~~thereafter~~, must remit by electronic means all liabilities in the manner provided in paragraph
3.19 (a) on returns due for periods beginning in the subsequent calendar year, except for 90
3.20 percent of the estimated June liability, which is due two business days before June 30. The
3.21 remaining amount of the June liability is due on August 20.

3.22 (d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's religious
3.23 beliefs from paying electronically shall be allowed to remit the payment by mail. The filer
3.24 must notify the commissioner of revenue of the intent to pay by mail before doing so on a
3.25 form prescribed by the commissioner. No extra fee may be charged to a person making
3.26 payment by mail under this paragraph. The payment must be postmarked at least two business
3.27 days before the due date for making the payment in order to be considered paid on a timely
3.28 basis.

3.29 (e) Paragraph (b) expires after the percentage of estimated payment is reduced to zero
3.30 in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

3.31 **EFFECTIVE DATE.** This section is effective July 1, 2021.