

1.1 A bill for an act

1.2 relating to the state budget; modifying certain payment schedules to improve
1.3 cash flow; amending Minnesota Statutes 2008, sections 276.112; 289A.60, by
1.4 adding a subdivision; Minnesota Statutes 2009 Supplement, sections 137.025,
1.5 subdivision 1; 289A.20, subdivision 4.

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

1.7 Section 1. Minnesota Statutes 2009 Supplement, section 137.025, subdivision 1,
1.8 is amended to read:

1.9 Subdivision 1. **Monthly payments.** The commissioner of management and budget
1.10 shall pay 1/12 of the annual appropriation to the University of Minnesota ~~on~~ by the ~~21st~~
1.11 25th day of each month. If the ~~21st~~ 25th day of the month falls on a Saturday or Sunday,
1.12 the monthly payment must be made ~~on~~ by the first business day immediately following
1.13 the ~~21st~~ 25th day of the month.

1.14 Sec. 2. Minnesota Statutes 2008, section 276.112, is amended to read:

1.15 **276.112 STATE PROPERTY TAXES; COUNTY TREASURER.**

1.16 On ~~or before January 25 each year, for the period ending December 31 of the~~
1.17 ~~prior year, and on or before June 28 each year, for the period ending on the most recent~~
1.18 ~~settlement day determined in section 276.09, and on or before December 2 each year, for~~
1.19 ~~the period ending November 20~~ the estimated payment and settlement dates provided in
1.20 this chapter for the settlement of taxes levied by school districts, the county treasurer must
1.21 make full settlement with the county auditor ~~according to sections 276.09, 276.10, and~~
1.22 ~~276.111~~ for all receipts of state property taxes levied under section 275.025, and must

2.1 transmit those receipts to the commissioner of revenue by electronic means on the dates
2.2 and according to the provisions applicable to distributions to school districts.

2.3 EFFECTIVE DATE. This section is effective for distributions beginning October
2.4 1, 2010, and thereafter.

2.5 Sec. 3. Minnesota Statutes 2009 Supplement, section 289A.20, subdivision 4, is
2.6 amended to read:

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

2.12 (1) use taxes due on an annual use tax return as provided under section 289A.11,
2.13 subdivision 1, are payable by April 15 following the close of the calendar year; and

2.14 (2) except as provided in paragraph (f), for a vendor having a liability of \$120,000
2.15 or more during a fiscal year ending June 30, 2009, and fiscal years thereafter, the taxes
2.16 imposed by chapter 297A, except as provided in paragraph (b), are due and payable to the
2.17 commissioner monthly in the following manner:

2.18 (i) on or before the 14th day of the month following the month in which the taxable
2.19 event occurred, the vendor must remit to the commissioner 90 percent of the estimated
2.20 liability for the month in which the taxable event occurred; and

2.21 (ii) on or before the 20th day of the month following the month in which the taxable
2.22 event occurred, the vendor must pay any additional amount of tax not remitted on or
2.23 before the 14th day of the month following the month in which the taxable event occurred.

2.24 (b) Notwithstanding paragraph (a), a vendor having a liability of \$120,000 or more
2.25 during a fiscal year ending June 30 must remit the June liability for the next year in the
2.26 following manner:

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

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

2.31 (c) A vendor having a liability of:

2.32 (1) ~~\$20,000 or more in the fiscal year ending June 30, 2005; or~~

2.33 ~~(2) \$10,000 or more in the~~ but less than \$120,000 during a fiscal year ending June
2.34 30, 2006 2009, and fiscal years thereafter, must remit by electronic means all liabilities on
2.35 returns due for periods beginning in the subsequent calendar year by electronic means

S.F. No. 3409, 1st Engrossment - 86th Legislative Session (2009-2010) [s3409-1]

3.1 on or before the 20th day of the month following the month in which the taxable event
3.2 occurred, or on or before the 20th day of the month following the month in which the sale
3.3 is reported under section 289A.18, subdivision 4, ~~except for 90 percent of the estimated~~
3.4 ~~June liability, which is due two business days before June 30. The remaining amount of~~
3.5 ~~the June liability is due on August 20;~~ or

3.6 (2) \$120,000 or more, during a fiscal year ending June 30, 2009, and fiscal years
3.7 thereafter, must remit by electronic means all liabilities in the manner provided in
3.8 paragraph (a), clause (2), on returns due for periods beginning in the subsequent calendar
3.9 year, except for 90 percent of the estimated June liability, which is due two business days
3.10 before June 30. The remaining amount of the June liability is due on August 20.

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

3.18 (e) Whenever the liability is \$120,000 or more separately for: (1) the tax imposed
3.19 under chapter 297A; (2) a fee that is to be reported on the same return as and paid with the
3.20 chapter 297A taxes; or (3) any other tax that is to be reported on the same return as and
3.21 paid with the chapter 297A taxes, then the payment of all the liabilities on the return must
3.22 be accelerated as provided in this subdivision.

3.23 (f) At the start of the first calendar quarter at least 90 days after the cash flow
3.24 account established in section 16A.152, subdivision 1, and the budget reserve account
3.25 established in section 16A.152, subdivision 1a, reach the amounts listed in section
3.26 16A.152, subdivision 2, paragraph (a), the remittance of estimated sales tax collections
3.27 by the 14th day of a month required under paragraph (a), clause (2), shall be suspended.
3.28 The commissioner of management and budget shall notify the commissioner of revenue
3.29 when the accounts have reached the required amounts. Beginning with the suspension
3.30 of paragraph (a), clause (2), for a vendor with a liability of \$120,000 or more during a
3.31 fiscal year ending June 30, 2009, and fiscal years thereafter, the taxes imposed by chapter
3.32 297A are due and payable to the commissioner on the 20th day of the month following the
3.33 month in which the taxable event occurred. Payments of tax liabilities for taxable events
3.34 occurring in June under paragraph (b) are not changed.

3.35 **EFFECTIVE DATE.** This section is effective for taxes due and payable after
3.36 September 1, 2010.

4.1 Sec. 4. Minnesota Statutes 2008, section 289A.60, is amended by adding a subdivision
4.2 to read:

4.3 **Subd. 31. Accelerated payment of monthly sales tax liability; penalty for**
4.4 **underpayment.** For payments made after September 1, 2010, if a vendor is required
4.5 by section 289A.20, subdivision 4, to remit a 90 percent payment by the 14th day of
4.6 the month following the month in which the taxable event occurred, as an estimation
4.7 of monthly sales tax liabilities, including the liability of any fee or other tax that is to
4.8 be reported on the same return as and paid with the chapter 297A taxes, for the month
4.9 in which the taxable event occurred, the vendor shall pay a penalty equal to ten percent
4.10 of the amount of liability that was required to be paid by the 14th day of the month less
4.11 the amount remitted by the 14th day of the month. The penalty must not be imposed,
4.12 however, if the amount remitted by the 14th day of the month equals the lesser of: (1)
4.13 90 percent of the liability for the month preceding the month in which the taxable event
4.14 occurred; (2) 90 percent of the liability for the same month in the previous calendar year
4.15 as the month in which the taxable event occurred; or (3) 90 percent of the average monthly
4.16 liability for the previous calendar year.

4.17 **EFFECTIVE DATE.** This section is effective for taxes due and payable after
4.18 September 1, 2010.