

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

S.F. No. 5347

(SENATE AUTHORS: REST)

DATE
04/08/2024

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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; taxpayer assistance and outreach grants; requiring the
1.3 Department of Revenue to make taxpayer assistance and outreach grants;
1.4 appropriating money; amending Minnesota Statutes 2022, section 270C.21.

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

1.6 Section 1. Minnesota Statutes 2022, section 270C.21, is amended to read:

1.7 **270C.21 TAXPAYER ASSISTANCE GRANTS; TAX CREDIT OUTREACH**
1.8 **GRANTS.**

1.9 Subdivision 1. **Taxpayer assistance.** When the commissioner awards grants to ~~eligible~~
1.10 ~~organizations to coordinate, facilitate, encourage, and aid in the provision of taxpayer~~
1.11 ~~assistance services~~ under this section, the commissioner must provide public notice of the
1.12 grants in a timely manner so that the grant process is completed and grants are awarded by
1.13 October 1, in order for recipient ~~eligible~~ organizations to adequately plan expenditures for
1.14 the filing season. At the time the commissioner provides public notice, the commissioner
1.15 must also notify ~~eligible~~ organizations that received grants in the previous biennium.

1.16 Subd. 2. ~~Eligible organization~~ **Definitions.** ~~"Eligible organization" means an organization~~
1.17 ~~that meets the definition of eligible organization provided in section 7526A(c)(2)(B) of the~~
1.18 ~~Internal Revenue Code.~~

1.19 (a) For the purposes of this section, the following terms have the meanings given.

1.20 (b) "Eligible credit" means a credit, refund, or other tax preference targeting low-income
1.21 taxpayers, including but not limited to the credits under sections 290.0661, 290.0671,
1.22 290.0674, and 290.0693, and chapter 290A.

2.1 (c) "Tax outreach organization" means a nonprofit organization or federally recognized
2.2 Indian Tribe with experience serving demographic groups or geographic regions that have
2.3 historically had low rates of participation in eligible credits.

2.4 (d) "Taxpayer assistance services" means accounting and tax preparation services
2.5 provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to
2.6 help them file federal and state income tax returns and Minnesota property tax refund claims
2.7 and to provide personal representation before the Department of Revenue and Internal
2.8 Revenue Service.

2.9 (e) "Volunteer taxpayer assistance organization" means an eligible organization qualifying
2.10 under section 7526A(e)(2)(B) of the Internal Revenue Code of 1986.

2.11 Subd. 3. **Taxpayer assistance grants.** The commissioner must annually make grants
2.12 to one or more volunteer taxpayer assistance organizations to coordinate, facilitate, encourage,
2.13 and aid in the provision of taxpayer assistance services.

2.14 Subd. 4. **Tax credit outreach grants.** The commissioner must annually make one or
2.15 more grants to tax outreach organizations and volunteer assistance organizations. Grants
2.16 provided under this subdivision must be used to:

2.17 (1) publicize and promote the availability of eligible credits to taxpayers likely to be
2.18 eligible for those credits; or

2.19 (2) provide taxpayer assistance services.

2.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.21 Sec. 2. **APPROPRIATION; TAX CREDIT OUTREACH GRANTS; TAXPAYER**
2.22 **ASSISTANCE GRANTS.**

2.23 (a) \$1,000,000 in fiscal year 2025 is appropriated from the general fund to the
2.24 commissioner of revenue for tax credit outreach grants under Minnesota Statutes, section
2.25 270C.21, subdivision 4. This appropriation is in addition to the amount appropriated in
2.26 Laws 2023, chapter 64, article 7, section 30.

2.27 (b) \$750,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
2.28 of revenue for taxpayer assistance grants under Minnesota Statutes, section 270C.21,
2.29 subdivision 3. This appropriation is in addition to the amount appropriated for taxpayer
2.30 assistance in Laws 2023, chapter 62, article 1, section 14, subdivision 2.