.moves to amend H.F. No. 3389 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PROPERTY TAXES AND AIDS

Section 1. Minnesota Statutes 2018, section 272.02, is amended by adding a subdivision to read:

Subd. 104. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

(1) is located in a county with a population greater than 28,000 but less than 29,000 as of the 2010 federal census;

(2) was on January 2, 2016, and is for the current assessment owned by a federally recognized Indian tribe or its instrumentality, that is located in Minnesota;

(3) was on January 2, 2016, exempt under subdivision 7; and

(4) is used exclusively for tribal purposes or institutions of purely public charity as defined in subdivision 7.

(b) For purposes of this subdivision, a "tribal purpose" means a public purpose as defined in subdivision 8 and includes noncommercial tribal government activities. Property acquired for single-family housing, market-rate apartments, agriculture, or forestry does not qualify for this exemption.

(c) For assessment years 2019 and 2020, an exemption application under this subdivision must be filed with the county assessor by July 1, 2020. Property taxes paid on property exempt under this section for taxes payable in 2020 only shall be refunded by the county by August 1, 2020.

**EFFECTIVE DATE.** This section is effective retroactively from assessment year 2019.
Sec. 2. Minnesota Statutes 2018, section 273.124, subdivision 1, is amended to read:

Subdivision 1. **General rule.** (a) Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a residential homestead.

Agricultural land, as defined in section 273.13, subdivision 23, that is occupied and used as a homestead by its owner, who must be a Minnesota resident, is an agricultural homestead.

Dates for establishment of a homestead and homestead treatment provided to particular types of property are as provided in this section.

Property held by a trustee under a trust is eligible for homestead classification if the requirements under this chapter are satisfied.

The assessor shall require proof, as provided in subdivision 13, of the facts upon which classification as a homestead may be determined. Notwithstanding any other law, the assessor may at any time require a homestead application to be filed in order to verify that any property classified as a homestead continues to be eligible for homestead status.

Notwithstanding any other law to the contrary, the Department of Revenue may, upon request from an assessor, verify whether an individual who is requesting or receiving homestead classification has filed a Minnesota income tax return as a resident for the most recent taxable year for which the information is available.

When there is a name change or a transfer of homestead property, the assessor may reclassify the property in the next assessment unless a homestead application is filed to verify that the property continues to qualify for homestead classification.

(b) For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner must use the property for the purposes of the homestead, and must apply to the assessor, both by the deadlines given in subdivision 9. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

(c) Residential real estate that is occupied and used for purposes of a homestead by a relative of the owner is a homestead but only to the extent of the homestead treatment that would be provided if the related owner occupied the property. For purposes of this paragraph...
and paragraph (g), "relative" means a parent, stepparent, child, stepchild, grandparent, 
grandchild, brother, sister, uncle, aunt, nephew, or niece. This relationship may be by blood 
or marriage. Property that has been classified as seasonal residential recreational property 
at any time during which it has been owned by the current owner or spouse of the current 
owner will not be reclassified as a homestead unless it is occupied as a homestead by the 
owner; this prohibition also applies to property that, in the absence of this paragraph, would 
have been classified as seasonal residential recreational property at the time when the 
residence was constructed. Neither the related occupant nor the owner of the property may 
claim a property tax refund under chapter 290A for a homestead occupied by a relative. In 
the case of a residence located on agricultural land, only the house, garage, and immediately 
surrounding one acre of land shall be classified as a homestead under this paragraph, except 
as provided in paragraph (d).

(d) Agricultural property that is occupied and used for purposes of a homestead by a 
relative of the owner, is a homestead, only to the extent of the homestead treatment that 
would be provided if the related owner occupied the property, and only if all of the following 
criteria are met:

(1) the relative who is occupying the agricultural property is a grandchild, child, sibling, 
or parent, grandparent, stepparent, stepchild, uncle, aunt, nephew, or niece of the owner of 
the agricultural property or of the spouse of the owner;

(2) the owner of the agricultural property must be a Minnesota resident;

(3) the owner of the agricultural property must not receive homestead treatment on any 
other agricultural property in Minnesota; and

(4) the owner of the agricultural property is limited to only one agricultural homestead 
per family under this paragraph.

Neither the related occupant nor the owner of the property may claim a property tax 
refund under chapter 290A for a homestead occupied by a relative qualifying under this 
paragraph. For purposes of this paragraph, "agricultural property" means the house, garage, 
other farm buildings and structures, and agricultural land.

Application must be made to the assessor by the owner of the agricultural property to 
receive homestead benefits under this paragraph. The assessor may require the necessary 
proof that the requirements under this paragraph have been met.

(e) In the case of property owned by a property owner who is married, the assessor must 
not deny homestead treatment in whole or in part if only one of the spouses occupies the
property and the other spouse is absent due to: (1) marriage dissolution proceedings, (2) legal separation, (3) employment or self-employment in another location, or (4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes. To qualify under clause (3), the spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment, and the homesteads must be at least 50 miles distant from each other.

(f) The assessor must not deny homestead treatment in whole or in part if:

(1) in the case of a property owner who is not married, the owner is absent due to residence in a nursing home, boarding care facility, or an elderly assisted living facility property as defined in section 273.13, subdivision 25a, and the property is not otherwise occupied; or

(2) in the case of a property owner who is married, the owner or the owner's spouse or both are absent due to residence in a nursing home, boarding care facility, or an elderly assisted living facility property as defined in section 273.13, subdivision 25a, and the property is not occupied or is occupied only by the owner's spouse.

(g) If an individual is purchasing property with the intent of claiming it as a homestead and is required by the terms of the financing agreement to have a relative shown on the deed as a co-owner, the assessor shall allow a full homestead classification. This provision only applies to first-time purchasers, whether married or single, or to a person who had previously been married and is purchasing as a single individual for the first time. The application for homestead benefits must be on a form prescribed by the commissioner and must contain the data necessary for the assessor to determine if full homestead benefits are warranted.

(h) If residential or agricultural real estate is occupied and used for purposes of a homestead by a child of a deceased owner and the property is subject to jurisdiction of probate court, the child shall receive relative homestead classification under paragraph (c) or (d) to the same extent they would be entitled to it if the owner was still living, until the probate is completed. For purposes of this paragraph, "child" includes a relationship by blood or by marriage.

(i) If a single-family home, duplex, or triplex classified as either residential homestead or agricultural homestead is also used to provide licensed child care, the portion of the property used for licensed child care must be classified as a part of the homestead property.

**EFFECTIVE DATE.** This section is effective beginning with property taxes payable in 2021.
Sec. 3. [273.129] ELDERLY LIVING FACILITY DEFERRAL.

Subdivision 1. Requirements. An elderly living facility is eligible for tax deferment under this section if it meets all of the following requirements:

(1) the facility is located in a city of the first class with a population of fewer than 110,000;

(2) the facility is owned and operated by a nonprofit organization organized under section 501(c)(3) of the Internal Revenue Code;

(3) construction of the facility was completed between January 1, 1963, and January 1, 1964;

(4) the facility has a housing with services license under chapter 144D and a comprehensive home care license under chapter 144A;

(5) residents of the facility must be (i) at least 62 years of age, or (ii) disabled; and

(6) at least 30 percent of the units in the facility are occupied by persons whose annual income does not exceed 50 percent of the median family income for the area.

Subd. 2. Deferral of taxes. An elderly living facility meeting the requirements of subdivision 1 must, upon timely application by the owner in the manner provided in subdivision 3, be treated as exempt property as defined in section 272.02. The assessor must make a separate determination of market value of such property and the tax based upon the appropriate tax rate applicable to such property in the taxing district must be recorded on the property assessment records.

Subd. 3. Application. A nonprofit organization meeting the requirements of subdivision 1 must file an application for a deferment of taxes under this section by December 1 of the year prior to the year in which the taxes are payable. Any application filed and granted under this subdivision shall continue in effect for subsequent years until the property no longer qualifies. The application must be filed with the assessor in the taxing district in which the property is located on the form prescribed by the commissioner of revenue.

Subd. 4. Payment of taxes. Property receiving tax deferment under this section continues to qualify until it is sold, transferred, or no longer qualifies under subdivision 1. If a portion of the property is sold, transferred, or no longer qualifies under subdivision 1, that portion is subject to taxes in the amount equal to the tax that would have been due on the property had it not been treated as exempt property under subdivision 2. The county auditor must extend these taxes against the property for taxes payable in the year the property is sold, transferred, or no longer qualifies under subdivision 1, plus the four prior years, to the extent
that the property qualifies for a tax deferment under this section. No interest or penalties
shall be levied on the taxes due under this subdivision if timely paid.

**Subd. 5. Lien.** The taxes imposed by this section are a lien upon the property assessed
to the same extent and for the same duration as other taxes imposed on the property in this
state. The tax shall be annually extended by the county auditor and if and when payable
shall be collected and distributed in the manner provided by law for the collection and
distribution of other property taxes.

**EFFECTIVE DATE.** This section is effective beginning with property taxes payable
in 2021.

Sec. 4. Minnesota Statutes 2018, section 273.13, subdivision 25, is amended to read:

**Subd. 25. Class 4.** (a) Class 4a is residential real estate containing four or more units
and used or held for use by the owner or by the tenants or lessees of the owner as a residence
for rental periods of 30 days or more, excluding property qualifying for class 4d. Class 4a
also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt
under section 272.02, and contiguous property used for hospital purposes, without regard
to whether the property has been platted or subdivided. The market value of class 4a property
has a classification rate of 1.25 percent.

(b) Class 4b includes:

1. residential real estate containing less than four units, including property rented as a
   short-term rental property for more than 14 days in the preceding year, that does not qualify
   as class 4bb, other than seasonal residential recreational property;

2. manufactured homes not classified under any other provision;

3. a dwelling, garage, and surrounding one acre of property on a nonhomestead farm
   classified under subdivision 23, paragraph (b) containing two or three units; and

4. unimproved property that is classified residential as determined under subdivision
   33.

For the purposes of this paragraph, "short-term rental property" means nonhomestead
residential real estate rented for periods of less than 30 consecutive days.

The market value of class 4b property has a classification rate of 1.25 percent.

(c) Class 4bb includes:
(1) nonhomestead residential real estate containing one unit, other than seasonal residential recreational property;

(2) a single family dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b); and

(3) a condominium-type storage unit having an individual property identification number that is not used for a commercial purpose.

Class 4bb property has the same classification rates as class 1a property under subdivision 22.

Property that has been classified as seasonal residential recreational property at any time during which it has been owned by the current owner or spouse of the current owner does not qualify for class 4bb.

(d) Class 4c property includes:

(1) except as provided in subdivision 22, paragraph (c), real and personal property devoted to commercial temporary and seasonal residential occupancy for recreation purposes, for not more than 250 days in the year preceding the year of assessment. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property is used for residential occupancy, and a fee is charged for residential occupancy. Class 4c property under this clause must contain three or more rental units. A "rental unit" is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site equipped with water and electrical hookups for recreational vehicles. A camping pad offered for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c under this clause regardless of the term of the rental agreement, as long as the use of the camping pad does not exceed 250 days. In order for a property to be classified under this clause, either (i) the business located on the property must provide recreational activities, at least 40 percent of the annual gross lodging receipts related to the property must be from business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid bookings by lodging guests during the year must be for periods of at least two consecutive nights; or (B) at least 20 percent of the annual gross receipts must be from charges for providing recreational activities, or (ii) the business must contain 20 or fewer rental units, and must be located in a township or a city with a population of 2,500 or less located outside the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion of a state trail administered by the Department of Natural Resources. For purposes of item (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c property also includes commercial use real property used exclusively for recreational
purposes in conjunction with other class 4c property classified under this clause and devoted
to temporary and seasonal residential occupancy for recreational purposes, up to a total of
two acres, provided the property is not devoted to commercial recreational use for more
than 250 days in the year preceding the year of assessment and is located within two miles
of the class 4c property with which it is used. In order for a property to qualify for
classification under this clause, the owner must submit a declaration to the assessor
designating the cabins or units occupied for 250 days or less in the year preceding the year
of assessment by January 15 of the assessment year. Those cabins or units and a proportionate
share of the land on which they are located must be designated class 4c under this clause
as otherwise provided. The remainder of the cabins or units and a proportionate share of
the land on which they are located will be designated as class 3a. The owner of property
desiring designation as class 4c property under this clause must provide guest registers or
other records demonstrating that the units for which class 4c designation is sought were not
occupied for more than 250 days in the year preceding the assessment if so requested. The
portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center
or meeting room, and (5) other nonresidential facility operated on a commercial basis not
directly related to temporary and seasonal residential occupancy for recreation purposes
does not qualify for class 4c. For the purposes of this paragraph, "recreational activities"
means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country
ski equipment; providing marina services, launch services, or guide services; or selling bait
and fishing tackle;

(2) qualified property used as a golf course if:

(i) it is open to the public on a daily fee basis. It may charge membership fees or dues,
but a membership fee may not be required in order to use the property for golfing, and its
green fees for golfing must be comparable to green fees typically charged by municipal
courses; and

(ii) it meets the requirements of section 273.112, subdivision 3, paragraph (d).

A structure used as a clubhouse, restaurant, or place of refreshment in conjunction with
the golf course is classified as class 3a property;

(3) real property up to a maximum of three acres of land owned and used by a nonprofit
community service oriented organization and not used for residential purposes on either a
temporary or permanent basis, provided that:

(i) the property is not used for a revenue-producing activity for more than six days in
the calendar year preceding the year of assessment; or
(ii) the organization makes annual charitable contributions and donations at least equal to the property's previous year's property taxes and the property is allowed to be used for public and community meetings or events for no charge, as appropriate to the size of the facility.

For purposes of this clause:

(A) "charitable contributions and donations" has the same meaning as lawful gambling purposes under section 349.12, subdivision 25, excluding those purposes relating to the payment of taxes, assessments, fees, auditing costs, and utility payments;

(B) "property taxes" excludes the state general tax;

(C) a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (8), (10), or (19) of the Internal Revenue Code; and

(D) "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises.

Any portion of the property not qualifying under either item (i) or (ii) is class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity.

The organization shall maintain records of its charitable contributions and donations and of public meetings and events held on the property and make them available upon request any time to the assessor to ensure eligibility. An organization meeting the requirement under item (ii) must file an application by May 1 with the assessor for eligibility for the current year's assessment. The commissioner shall prescribe a uniform application form and instructions;

(4) postsecondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317A and is used exclusively by a student
cooperative, sorority, or fraternity for on-campus housing or housing located within two
miles of the border of a college campus;

(5)(i) manufactured home parks as defined in section 327.14, subdivision 3, excluding
manufactured home parks described in items (ii) and (iii), (ii) manufactured home parks as
defined in section 327.14, subdivision 3, that are described in section 273.124, subdivision
3a, and (iii) class I manufactured home parks as defined in section 327C.01, subdivision
13;

(6) real property that is actively and exclusively devoted to indoor fitness, health, social,
recreational, and related uses, is owned and operated by a not-for-profit corporation, and is
located within the metropolitan area as defined in section 473.121, subdivision 2;

(7) a leased or privately owned noncommercial aircraft storage hangar not exempt under
section 272.01, subdivision 2, and the land on which it is located, provided that:

(i) the land is on an airport owned or operated by a city, town, county, Metropolitan
Airports Commission, or group thereof; and

(ii) the land lease, or any ordinance or signed agreement restricting the use of the leased
premise, prohibits commercial activity performed at the hangar.

If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be
filed by the new owner with the assessor of the county where the property is located within
60 days of the sale;

(8) a privately owned noncommercial aircraft storage hangar not exempt under section
272.01, subdivision 2, and the land on which it is located, provided that:

(i) the land abuts a public airport; and

(ii) the owner of the aircraft storage hangar provides the assessor with a signed agreement
restricting the use of the premises, prohibiting commercial use or activity performed at the
hangar; and

(9) residential real estate, a portion of which is used by the owner for homestead purposes,
and that is also a place of lodging, if all of the following criteria are met:

(i) rooms are provided for rent to transient guests that generally stay for periods of 14
or fewer days;

(ii) meals are provided to persons who rent rooms, the cost of which is incorporated in
the basic room rate;
11.1 (iii) meals are not provided to the general public except for special events on fewer than
seven days in the calendar year preceding the year of the assessment; and

11.2 (iv) the owner is the operator of the property.

11.3 The market value subject to the 4c classification under this clause is limited to five rental
units. Any rental units on the property in excess of five, must be valued and assessed as
class 3a. The portion of the property used for purposes of a homestead by the owner must
be classified as class 1a property under subdivision 22;

11.4 (10) real property up to a maximum of three acres and operated as a restaurant as defined
under section 157.15, subdivision 12, provided it: (i) is located on a lake as defined under
section 103G.005, subdivision 15, paragraph (a), clause (3); and (ii) is either devoted to
commercial purposes for not more than 250 consecutive days, or receives at least 60 percent
of its annual gross receipts from business conducted during four consecutive months. Gross
receipts from the sale of alcoholic beverages must be included in determining the property's
qualification under item (ii). The property's primary business must be as a restaurant and
not as a bar. Gross receipts from gift shop sales located on the premises must be excluded.

11.5 Owners of real property desiring 4c classification under this clause must submit an annual
declaration to the assessor by February 1 of the current assessment year, based on the
property's relevant information for the preceding assessment year;

11.6 (11) lakeshore and riparian property and adjacent land, not to exceed six acres, used as
a marina, as defined in section 86A.20, subdivision 5, which is made accessible to the public
and devoted to recreational use for marina services. The marina owner must annually provide
evidence to the assessor that it provides services, including lake or river access to the public
by means of an access ramp or other facility that is either located on the property of the
marina or at a publicly owned site that abuts the property of the marina. No more than 800
feet of lakeshore may be included in this classification. Buildings used in conjunction with
a marina for marina services, including but not limited to buildings used to provide food
and beverage services, fuel, boat repairs, or the sale of bait or fishing tackle, are classified
as class 3a property; and

11.7 (12) real and personal property devoted to noncommercial temporary and seasonal
residential occupancy for recreation purposes.

11.8 Class 4c property has a classification rate of 1.5 percent of market value, except that (i)
each parcel of noncommercial seasonal residential recreational property under clause (12)
has the same classification rates as class 4bb property, (ii) manufactured home parks assessed
under clause (5), item (i), have the same classification rate as class 4b property, the market

Article 1 Sec. 4.
value of manufactured home parks assessed under clause (5), item (ii), have a classification
rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by
shareholders in the cooperative corporation or association and a classification rate of one
percent if 50 percent or less of the lots are so occupied, and class I manufactured home
parks as defined in section 327C.01, subdivision 13, have a classification rate of 1.0 percent,
(iii) commercial-use seasonal residential recreational property and marina recreational land
as described in clause (11), has a classification rate of one percent for the first $500,000 of
market value, and 1.25 percent for the remaining market value, (iv) the market value of
property described in clause (4) has a classification rate of one percent, (v) the market value
of property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent,
(vi) that portion of the market value of property in clause (9) qualifying for class 4c property
has a classification rate of 1.25 percent, and (vii) property qualifying for classification under
clause (3) that is owned or operated by a congressionally chartered veterans organization
has a classification rate of one percent. The commissioner of veterans affairs must provide
a list of congressionally chartered veterans organizations to the commissioner of revenue
by June 30, 2017, and by January 1, 2018, and each year thereafter.

(e) Class 4d property is qualifying low-income rental housing certified to the assessor
by the Housing Finance Agency under section 273.128, subdivision 3. If only a portion of
the units in the building qualify as low-income rental housing units as certified under section
273.128, subdivision 3, only the proportion of qualifying units to the total number of units
in the building qualify for class 4d. The remaining portion of the building shall be classified
by the assessor based upon its use. Class 4d also includes the same proportion of land as
the qualifying low-income rental housing units are to the total units in the building. For all
properties qualifying as class 4d, the market value determined by the assessor must be based
on the normal approach to value using normal unrestricted rents.

(f) The first tier of market value of class 4d property has a classification rate of 0.75
percent. The remaining value of class 4d property has a classification rate of 0.25 percent.
For the purposes of this paragraph, the "first tier of market value of class 4d property" means
the market value of each housing unit up to the first tier limit. For the purposes of this
paragraph, all class 4d property value must be assigned to individual housing units. The
first tier limit is $100,000 for assessment year 2014. For subsequent years, the limit is
adjusted each year by the average statewide change in estimated market value of property
classified as class 4a and 4d under this section for the previous assessment year, excluding
valuation change due to new construction, rounded to the nearest $1,000, provided, however,
that the limit may never be less than $100,000. Beginning with assessment year 2015, the
commissioner of revenue must certify the limit for each assessment year by November 1
of the previous year.

**EFFECTIVE DATE.** This section is effective beginning with assessments in 2020 and
thereafter.

Sec. 5. Minnesota Statutes 2019 Supplement, section 273.13, subdivision 34, is amended
to read:

Subd. 34. **Homestead of veteran with a disability or family caregiver.** (a) All or a
portion of the market value of property owned by a veteran and serving as the veteran's
homestead under this section is excluded in determining the property's taxable market value
if the veteran has a service-connected disability of 70 percent or more as certified by the
United States Department of Veterans Affairs. To qualify for exclusion under this subdivision,
the veteran must have been honorably discharged from the United States armed forces, as
indicated by United States Government Form DD214 or other official military discharge
papers.

(b)(1) For a disability rating of 70 percent or more, $150,000 of market value is excluded,
except as provided in clause (2); and

(2) for a total (100 percent) and permanent disability, $300,000 of market value is
excluded.

(c) If a veteran with a disability qualifying for a valuation exclusion under paragraph
(b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the
spouse holds the legal or beneficial title to the homestead and permanently resides there,
the exclusion shall carry over to the benefit of the veteran's spouse until such time as the
spouse remarries, or sells, transfers, or otherwise disposes of the property, except as otherwise
provided in paragraph (n). Qualification under this paragraph requires an application under
paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's
marital status, ownership of the property, or use of the property as a permanent residence.

(d) If the spouse of a member of any branch or unit of the United States armed forces
who dies due to a service-connected cause while serving honorably in active service, as
indicated on United States Government Form DD1300 or DD2064, holds the legal or
beneficial title to a homestead and permanently resides there, the spouse is entitled to the
benefit described in paragraph (b), clause (2), until such time as the spouse remarries or
sells, transfers, or otherwise disposes of the property, except as otherwise provided in
paragraph (n).
(e) If a veteran meets the disability criteria of paragraph (a) but does not own property classified as homestead in the state of Minnesota, then the homestead of the veteran's primary family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify for under paragraph (b).

(f) In the case of an agricultural homestead, only the portion of the property consisting of the house and garage and immediately surrounding one acre of land qualifies for the valuation exclusion under this subdivision.

(g) A property qualifying for a valuation exclusion under this subdivision is not eligible for the market value exclusion under subdivision 35, or classification under subdivision 22, paragraph (b).

(h) To qualify for a valuation exclusion under this subdivision a property owner must apply to the assessor by December 15 of the first assessment year for which the exclusion is sought. For an application received after December 15, the exclusion shall become effective for the following assessment year. Except as provided in paragraph (c), the owner of a property that has been accepted for a valuation exclusion must notify the assessor if there is a change in ownership of the property or in the use of the property as a homestead.

(i) A first-time application by a qualifying spouse for the market value exclusion under paragraph (d) must be made any time within two years of the death of the service member.

(j) For purposes of this subdivision:

(1) "active service" has the meaning given in section 190.05;

(2) "own" means that the person's name is present as an owner on the property deed;

(3) "primary family caregiver" means a person who is approved by the secretary of the United States Department of Veterans Affairs for assistance as the primary provider of personal care services for an eligible veteran under the Program of Comprehensive Assistance for Family Caregivers, codified as United States Code, title 38, section 1720G; and

(4) "veteran" has the meaning given the term in section 197.447.

(k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or otherwise disposes of the property, except as otherwise provided in paragraph (n), if:

(1) the spouse files a first-time application within two years of the death of the service member or by June 1, 2019, whichever is later;
(2) upon the death of the veteran, the spouse holds the legal or beneficial title to the
homestead and permanently resides there;

(3) the veteran met the honorable discharge requirements of paragraph (a); and

(4) the United States Department of Veterans Affairs certifies that:

(i) the veteran met the total (100 percent) and permanent disability requirement under
paragraph (b), clause (2); or

(ii) the spouse has been awarded dependency and indemnity compensation.

(l) The purpose of this provision of law providing a level of homestead property tax
relief for veterans with a disability, their primary family caregivers, and their surviving
spouses is to help ease the burdens of war for those among our state's citizens who bear
those burdens most heavily.

(m) By July 1, the county veterans service officer must certify the disability rating and
permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.

(n) A spouse who received the benefit in paragraph (c), (d), or (k) but no longer holds
the legal or beneficial title to the property may continue to receive the exclusion for a
property other than the property for which the exclusion was initially granted until the spouse
remarries or sells, transfers, or otherwise disposes of the property, provided that:

(1) the spouse applies under paragraph (h) for the continuation of the exclusion allowed
under this paragraph;

(2) the spouse holds the legal or beneficial title to the property for which the continuation
of the exclusion is sought under this paragraph, and permanently resides there;

(3) the estimated market value of the property for which the exclusion is sought under
this paragraph is less than or equal to the estimated market value of the property that first
received the exclusion, based on the value of each property on the date of the sale of the
property that first received the exclusion; and

(4) the spouse has not previously received the benefit under this paragraph for a property
other than the property for which the exclusion is sought.

EFFECTIVE DATE. This section is effective beginning with taxes payable in 2021.

Sec. 6. DISTRIBUTION OF FUNDS.

(a) Notwithstanding the settlement procedures prescribed by Minnesota Statutes, sections
276.09 to 276.112, for receipts received after the settlement day determined in Minnesota
Statutes, section 276.09, distributions of collections received after the settlement day determined in Minnesota Statutes, section 276.09, may be made as provided in this section for property taxes payable in 2020:

(1) on a date determined by the county board, the county treasurer must make full settlement with the county auditor of all collections under this paragraph, and the county auditor and county treasurer must distribute all undistributed funds in the treasury. The funds must be apportioned as provided by law and credited to the town, city, school district, special taxing district, and each county fund. The county treasurer must then pay the treasurer of a town, city, school district, or special taxing district all receipts of taxes levied by the taxing district as soon as practical; and

(2) on the same date determined by the county board under clause (1), the county treasurer must make full settlement with the county auditor for all receipts of state property taxes levied under Minnesota Statutes, section 275.025, and must transmit those receipts to the commissioner of revenue as soon as practical.

(b) For the purposes of this section, "collections" means all first half property tax payments due on May 15 received by the county treasurer.

(c) Reports required by the state auditor for the settlement of taxes under Minnesota Statutes, sections 276.09 and 276.10, must be made within 30 days of the date determined by the county board under clause (1) for settlements of taxes under this section.

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

Sec. 7. 2019 AID PENALTY FORGIVENESS; ADDITIONAL FILING REQUIRED IN 2020.

(a) Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the commissioner of revenue shall make a payment of $9,280 to the city of Sargeant by June 30, 2020, to compensate the city for its 2019 aid payment under Minnesota Statutes, section 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3.

(b) The first half of the calendar year 2020 aid payment to the city under Minnesota Statutes, section 477A.013, will be withheld until the state auditor certifies to the commissioner of revenue that the city has complied with all reporting requirements under Minnesota Statutes, section 477A.017, subdivision 3, for calendar years 2018 and 2019. The commissioner of revenue must make the first payment for calendar year 2020 within one month of receiving this certification from the state auditor. If the city has not complied with all reporting requirements under Minnesota Statutes, section 477A.017, subdivision
3, for calendar years 2018 and 2019 by December 1, 2020, the city will receive no aid payment under Minnesota Statutes, section 477A.013, for calendar year 2020.

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

Sec. 8. **2019 AID PENALTY FORGIVENESS.**

Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Roosevelt shall receive its aid payment for calendar year 2019 under Minnesota Statutes, section 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3, provided that the state auditor certifies to the commissioner of revenue that the state auditor received the annual financial reporting form for 2018 from the city as well as all forms, including the financial statement and annual financial reporting form for calendar year 2019 by June 1, 2020. The commissioner of revenue shall make a payment of $25,410 by June 30, 2020.

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

**ARTICLE 2**

**FEDERAL CONFORMITY**

Section 1. Minnesota Statutes 2019 Supplement, section 289A.02, subdivision 7, is amended to read:


**EFFECTIVE DATE.** This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time as the changes were effective for federal purposes.

Sec. 2. Minnesota Statutes 2019 Supplement, section 290.01, subdivision 19, is amended to read:

Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a corporation taxable under section 290.02, the term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating the federal effective dates of changes to the Internal Revenue Code and any elections made by the taxpayer in accordance with the
Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in sections 290.0131 to 290.0136.

(b) For an individual, the term "net income" means federal adjusted gross income with the modifications provided in sections 290.0131, 290.0132, and 290.0135 to 290.0137.

(c) In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

1. the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply;
2. the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code; and
3. the deduction for dividends paid must also be applied in the amount of any undistributed capital gains which the regulated investment company elects to have treated as provided in section 852(b)(3)(D) of the Internal Revenue Code.

(d) The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

(e) The net income of a designated settlement fund as defined in section 468B(d) of the Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal Revenue Code.

(f) The Internal Revenue Code of 1986, as amended through December 31, 2020, shall be in effect for taxable years beginning after December 31, 1996.

(g) Except as otherwise provided, references to the Internal Revenue Code in this subdivision and sections 290.0131 to 290.0136 mean the code in effect for purposes of determining net income for the applicable year.

EFFECTIVE DATE. This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time as the changes were effective for federal purposes.
Sec. 3. Minnesota Statutes 2019 Supplement, section 290.01, subdivision 31, is amended to read:

Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 2018. Internal Revenue Code also includes any uncodified provision in federal law that relates to provisions of the Internal Revenue Code that are incorporated into Minnesota law.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time as the changes were effective for federal purposes.

Sec. 4. Minnesota Statutes 2018, section 290.0131, is amended by adding a subdivision to read:

Subd. 19. **Business interest.** The amount allowed as a deduction for business interest under section 163 of the Internal Revenue Code is an addition.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2019, except that for changes in net income, as defined under Minnesota Statutes, section 290.01, subdivision 19, due to Public Law 116-136, this section is effective retroactively and applies to the same tax periods to which Public Law 116-136 applies.

Sec. 5. Minnesota Statutes 2018, section 290.0131, is amended by adding a subdivision to read:

Subd. 20. **Excess business losses.** The amount of losses allowed under section 461(l) of the Internal Revenue Code that exceeds $250,000 for individuals and $500,000 for married filing jointly is an addition.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2019, except that for changes in net income, as defined under Minnesota Statutes, section 290.01, subdivision 19, due to Public Law 116-136, this section is effective retroactively and applies to the same tax periods to which Public Law 116-136 applies.

Sec. 6. Minnesota Statutes 2018, section 290.0131, is amended by adding a subdivision to read:

Subd. 21. **Net operating loss.** The amount of the net operating loss deduction under section 172 of the Internal Revenue Code is an addition.
EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2019, except that for changes in net income, as defined under Minnesota Statutes, section 290.01, subdivision 19, due to Public Law 116-136, this section is effective retroactively and applies to the same tax periods to which Public Law 116-136 applies.

Sec. 7. Minnesota Statutes 2018, section 290.0132, subdivision 18, is amended to read:

Subd. 18. Net operating losses. The amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (e), is a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2019, except that for changes in net income, as defined under Minnesota Statutes, section 290.01, subdivision 19, due to Public Law 116-136, this section is effective retroactively and applies to the same tax periods to which Public Law 116-136 applies.

Sec. 8. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision to read:

Subd. 30. Business interest. The amount allowed as a deduction for business interest under section 163 of the Internal Revenue Code of 1986, as amended through December 31, 2018, is a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2019, except that for changes in net income, as defined under Minnesota Statutes, section 290.01, subdivision 19, due to Public Law 116-136, this section is effective retroactively and applies to the same tax periods to which Public Law 116-136 applies.

Sec. 9. Minnesota Statutes 2018, section 290.0133, is amended by adding a subdivision to read:

Subd. 15. Business interest. The amount allowed as a deduction for business interest under section 163 of the Internal Revenue Code is an addition.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2019, except that for changes in net income, as defined under Minnesota Statutes, section 290.01, subdivision 19, due to Public Law 116-136, this section is effective retroactively and applies to the same tax periods to which Public Law 116-136 applies.
Sec. 10. Minnesota Statutes 2018, section 290.0134, is amended by adding a subdivision to read:

Subd. 20. **Business interest.** The amount allowed as a deduction for business interest under section 163 of the Internal Revenue Code of 1986, as amended through December 31, 2018, is a subtraction.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2019, except that for changes in net income, as defined under Minnesota Statutes, section 290.01, subdivision 19, due to Public Law 116-136, this section is effective retroactively and applies to the same tax periods to which Public Law 116-136 applies.

Sec. 11. Minnesota Statutes 2018, section 290.095, as amended by Laws 2019, First Special Session chapter 6, article 1, section 55, is amended to read:

**290.095 OPERATING LOSS DEDUCTION.**

Subdivision 1. **Allowance of deduction.** (a) For corporations, there shall be allowed as a deduction for the taxable year the amount of any net operating loss deduction as provided in section 172 of the Internal Revenue Code, subject to the limitations and modifications provided in this section.

(b) A net operating loss deduction shall be available under this section only to corporate taxpayers except that subdivisions 9 and 11 hereof apply only to individuals, estates, and trusts. For individuals, estates, and trusts, there shall be allowed as a deduction for the taxable year the amount of any net operating loss deduction as provided in section 172 of the Internal Revenue Code, as amended through December 31, 2018, subject to the limitations and modifications provided in this section.

(c) In the case of a regulated investment company or fund thereof, as defined in section 851(a) or 851(g) of the Internal Revenue Code, the deduction provided by this section shall not be allowed.

Subd. 2. **Defined and limited.** (a) The term "net operating loss" as used in this section shall mean a net operating loss as defined in section 172(c) of the Internal Revenue Code, with the modifications specified in subdivision 4. The deductions provided in section 290.21 cannot be used in the determination of a net operating loss.

(b) The term "net operating loss deduction" as used in this section means the aggregate of the net operating loss carryovers to the taxable year, computed in accordance with subdivision 3. The provisions of section 172(b) of the Internal Revenue Code relating to the carryback of net operating losses, do not apply.
(c) The amount of net operating loss deduction under this section must not exceed 80 percent of taxable net income in a single taxable year.

Subd. 3. Carryover. (a) For a corporation, a net operating loss incurred during the taxable year shall be a net operating loss carryover to each of the 15 taxable years following the taxable year of such loss.

(b) The entire amount of the net operating loss for any taxable year shall be carried to the earliest of the taxable years to which such loss may be carried. The portion of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable net income, adjusted by the modifications specified in subdivision 4, for each of the taxable years to which such loss may be carried.

(c) Where a corporation apportions its income under the provisions of section 290.191, the net operating loss deduction incurred in any taxable year shall be allowed to the extent of the apportionment ratio of the loss year.

(d) The provisions of sections 381, 382, and 384 of the Internal Revenue Code apply to carryovers in certain corporate acquisitions and special limitations on net operating loss carryovers. The limitation amount determined under section 382 shall be applied to net income, before apportionment, in each post change year to which a loss is carried.

Subd. 4. Computation and modifications. The following modifications shall be made in computing a net operating loss in any taxable year and also in computing the taxable net income for any taxable year before a net operating loss deduction shall be allowed:

(a) No deduction shall be allowed for or with respect to losses connected with income producing activities if the income therefrom would not be required to be either assignable to this state or included in computing the taxpayer's taxable net income.

(b) A net operating loss deduction shall not be allowed.

(c) The amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includable on account of gains from sales or exchanges of capital assets.

(d) Renegotiation of profits for a prior taxable year under the renegotiation laws of the United States of America, including renegotiation of the profits with a subcontractor, shall not enter into the computation.

(e) Federal income and excess profits taxes shall not be allowed as a deduction.
Subd. 5. **Return covering less than 12 months.** Wherever, under the provisions of this chapter, any taxpayer is required or permitted to make a return for a period of less than 12 months, such period shall be deemed a taxable year in the application of the provisions of this section.

Subd. 9. **Special period of limitation with respect to net operating loss carrybacks.** For individuals, estates, and trusts, for the purposes of sections 289A.40 and 289A.50 if the claim for refund relates to an overpayment attributable to a net operating loss carryback under this section, in lieu of the period of limitation prescribed in section 289A.40, the period shall be that period which ends with the expiration of the 15th day of the 46th month following the end of the taxable year of the net operating loss which results in such carryback, plus any extension of time granted for filing the return, but only if the return was filed within the extended time.

Subd. 11. **Carryback or carryover adjustments.** (a) Except as provided in paragraph (c), for individuals, estates, and trusts the amount of a net operating loss that may be carried back or carried over shall be the same dollar amount allowable in the determination of federal taxable income, provided that, notwithstanding any other provision, estates and trusts must apply the following adjustments to the amount of the net operating loss that may be carried back or carried over:

1. Nonassignable income or losses as required by section 290.17.
2. Deductions not allocable to Minnesota under section 290.17.

(b) The net operating loss carryback or carryover applied as a deduction in the taxable year to which the net operating loss is carried back or carried over shall be equal to the net operating loss carryback or carryover applied in the taxable year in arriving at federal taxable income provided that trusts and estates must apply the following modifications:

1. Increase the amount of carryback or carryover applied in the taxable year by the amount of losses and interest, taxes and other expenses not assignable or allowable to Minnesota incurred in the taxable year.
2. Decrease the amount of carryback or carryover applied in the taxable year by the amount of income not assignable to Minnesota earned in the taxable year. For estates and trusts, the net operating loss carryback or carryover to the next consecutive taxable year shall be the net operating loss carryback or carryover as calculated in clause (b) less the amount applied in the earlier taxable year(s). No additional net operating loss carryback or carryover shall be allowed to estates and trusts if the entire amount has been used to offset Minnesota income in a year earlier than was possible on the federal return. However, if a
net operating loss carryback or carryover was allowed to offset federal income in a year earlier than was possible on the Minnesota return, an estate or trust shall still be allowed to offset Minnesota income but only if the loss was assignable to Minnesota in the year the loss occurred.

(c) This paragraph does not apply to eligible small businesses that make a valid election to carry back their losses for federal purposes under section 172(b)(1)(H) of the Internal Revenue Code as amended through March 31, 2009.

(1) A net operating loss of an individual, estate, or trust that is allowed under this subdivision and for which the taxpayer elects to carry back for more than two years under section 172(b)(1)(H) of the Internal Revenue Code is a net operating loss carryback to each of the two taxable years preceding the loss, and unused portions may be carried forward for 20 taxable years after the loss.

(2) The entire amount of the net operating loss for any taxable year must be carried to the earliest of the taxable years to which the loss may be carried. The portion of the loss which may be carried to each of the other taxable years is the excess, if any, of the amount of the loss over the greater of the taxable net income or alternative minimum taxable income for each of the taxable years to which the loss may be carried.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2019, except that for changes in net income, as defined under Minnesota Statutes, section 290.01, subdivision 19, due to Public Law 116-136, this section is effective retroactively and applies to the same tax periods to which Public Law 116-136 applies.

Sec. 12. Minnesota Statutes 2019 Supplement, section 290.993, is amended to read:

**290.993 SPECIAL LIMITED ADJUSTMENT.**

(a) For an individual income taxpayer subject to tax under section 290.06, subdivision 2c, or a partnership that elects to file a composite return under section 289A.08, subdivision 7, for taxable years beginning after December 31, 2017, and before January 1, 2019, the following special rules apply:

(1) an individual income taxpayer may: (i) take the standard deduction; or (ii) make an election under section 63(e) of the Internal Revenue Code to itemize, for Minnesota individual income tax purposes, regardless of the choice made on their federal return; and

(2) there is an adjustment to tax equal to the difference between the tax calculated under this chapter using the Internal Revenue Code as amended through December 16, 2016, and the tax calculated under this chapter using the Internal Revenue Code amended through...
December 31, 2018, before the application of credits. The end result must be zero additional tax due or refund.

(b) The adjustment in paragraph (a), clause (2), does not apply to any changes due to sections 11012, 13101, 13201, 13202, 13203, 13204, 13205, 13207, 13301, 13302, 13303, 13313, 13502, 13503, 13801, 14101, 14102, 14211 through 14215, and 14501 of Public Law 115-97; and section 40411 of Public Law 115-123.

(c) For an individual income taxpayer or partnership subject to an adjustment under this section, any change in tax as a result of this act, including amendments to the Internal Revenue Code in Public Law 116-94 and Public Law 116-136 that are incorporated in this act, must be calculated after the adjustment.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, and before January 1, 2019.

Sec. 13. Minnesota Statutes 2019 Supplement, section 290A.03, subdivision 15, is amended to read:


**EFFECTIVE DATE.** This section is effective for property tax refunds based on property taxes payable after December 31, 2020, and rent paid after December 31, 2019.

Sec. 14. Minnesota Statutes 2019 Supplement, section 291.005, subdivision 1, is amended to read:

Subdivision 1. *Scope.* Unless the context otherwise clearly requires, the following terms used in this chapter shall have the following meanings:

(1) "Commissioner" means the commissioner of revenue or any person to whom the commissioner has delegated functions under this chapter.

(2) "Federal gross estate" means the gross estate of a decedent as required to be valued and otherwise determined for federal estate tax purposes under the Internal Revenue Code, increased by the value of any property in which the decedent had a qualifying income interest for life and for which an election was made under section 291.03, subdivision 1d, for Minnesota estate tax purposes, but was not made for federal estate tax purposes.

(3) "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended through December March 31, 2018 2020.
"Minnesota gross estate" means the federal gross estate of a decedent after (a) excluding therefrom any property included in the estate which has its situs outside Minnesota, and (b) including any property omitted from the federal gross estate which is includable in the estate, has its situs in Minnesota, and was not disclosed to federal taxing authorities.

"Nonresident decedent" means an individual whose domicile at the time of death was not in Minnesota.

"Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the Minnesota estate tax due with respect to the property.

"Resident decedent" means an individual whose domicile at the time of death was in Minnesota. The provisions of section 290.01, subdivision 7, paragraphs (c) and (d), apply to determinations of domicile under this chapter.

"Situs of property" means, with respect to:

(i) real property, the state or country in which it is located;

(ii) tangible personal property, the state or country in which it was normally kept or located at the time of the decedent's death or for a gift of tangible personal property within three years of death, the state or country in which it was normally kept or located when the gift was executed;

(iii) a qualified work of art, as defined in section 2503(g)(2) of the Internal Revenue Code, owned by a nonresident decedent and that is normally kept or located in this state because it is on loan to an organization, qualifying as exempt from taxation under section 501(c)(3) of the Internal Revenue Code, that is located in Minnesota, the situs of the art is deemed to be outside of Minnesota, notwithstanding the provisions of item (ii); and

(iv) intangible personal property, the state or country in which the decedent was domiciled at death or for a gift of intangible personal property within three years of death, the state or country in which the decedent was domiciled when the gift was executed.

For a nonresident decedent with an ownership interest in a pass-through entity with assets that include real or tangible personal property, situs of the real or tangible personal property, including qualified works of art, is determined as if the pass-through entity does
not exist and the real or tangible personal property is personally owned by the decedent. If the pass-through entity is owned by a person or persons in addition to the decedent, ownership of the property is attributed to the decedent in proportion to the decedent's capital ownership share of the pass-through entity.

(9) "Pass-through entity" includes the following:

(i) an entity electing S corporation status under section 1362 of the Internal Revenue Code;

(ii) an entity taxed as a partnership under subchapter K of the Internal Revenue Code;

(iii) a single-member limited liability company or similar entity, regardless of whether it is taxed as an association or is disregarded for federal income tax purposes under Code of Federal Regulations, title 26, section 301.7701-3; or

(iv) a trust to the extent the property is includable in the decedent's federal gross estate; but excludes

(v) an entity whose ownership interest securities are traded on an exchange regulated by the Securities and Exchange Commission as a national securities exchange under section 6 of the Securities Exchange Act, United States Code, title 15, section 78f.

EFFECTIVE DATE. This section is effective retroactively for estates of decedents dying after December 31, 2017.

Sec. 15. INDIVIDUAL INCOME TAX COLLECTION ACTION PROHIBITED.

Notwithstanding any law to the contrary, the commissioner of revenue shall not increase the amount due or decrease the refund for an individual income tax return for the taxable year beginning after December 31, 2017, and before January 1, 2020, to the extent the amount due was understated on the original return or the refund was overstated on the original return because the taxpayer calculated the tax or refund based on the Internal Revenue Code, as amended through December 31, 2018, rather than based on the Internal Revenue Code, as amended through March 31, 2020, as provided in this act.

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

Sec. 16. TEMPORARY NONCONFORMITY ADDITIONS AND SUBTRACTIONS.

Subdivision 1. Definitions. For the purposes of this section, the following terms have the meanings given:
(1) for an individual, estate, or trust, "addition" has the meaning given in Minnesota Statutes, section 290.0131, subdivision 1;

(2) for an individual, estate, or trust, "subtraction" has the meaning given in Minnesota Statutes, section 290.0132, subdivision 1; and

(3) for a corporation other than an S corporation, "subtraction" has the meaning given in Minnesota Statutes, section 290.0134, subdivision 1.

Subd. 2. Addition for tuition. For taxable years beginning after December 31, 2017, and before January 1, 2021, the amount deducted under section 222 of the Internal Revenue Code is an addition.

Subd. 3. Subtraction; wages used to claim the employer retention credit. For taxable years beginning after December 31, 2019, and before January 1, 2021, the amount of qualified wages used to claim the credit under section 2301 of Public Law 116-136 is a subtraction.

EFFECTIVE DATE. This section is effective retroactively for the taxable years specified in this section.

ARTICLE 3

INDIVIDUAL INCOME AND CORPORATE FRANCHISE TAXES

Section 1. Minnesota Statutes 2019 Supplement, section 289A.08, subdivision 7, is amended to read:

Subd. 7. Composite income tax returns for nonresident partners, shareholders, and beneficiaries. (a) The commissioner may allow a partnership with nonresident partners to file a composite return and to pay the tax on behalf of nonresident partners who have no other Minnesota source income. This composite return must include the names, addresses, Social Security numbers, income allocation, and tax liability for the nonresident partners electing to be covered by the composite return.

(b) The computation of a partner's tax liability must be determined by multiplying the income allocated to that partner by the highest rate used to determine the tax liability for individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard deductions, or personal exemptions are not allowed.

(c) The partnership must submit a request to use this composite return filing method for nonresident partners. The requesting partnership must file a composite return in the form prescribed by the commissioner of revenue. The filing of a composite return is considered a request to use the composite return filing method.
(d) The electing partner must not have any Minnesota source income other than the income from the partnership and other electing partnerships. If it is determined that the electing partner has other Minnesota source income, the inclusion of the income and tax liability for that partner under this provision will not constitute a return to satisfy the requirements of subdivision 1. The tax paid for the individual as part of the composite return is allowed as a payment of the tax by the individual on the date on which the composite return payment was made. If the electing nonresident partner has no other Minnesota source income, filing of the composite return is a return for purposes of subdivision 1.

(e) This subdivision does not negate the requirement that an individual pay estimated tax if the individual's liability would exceed the requirements set forth in section 289A.25. The individual's liability to pay estimated tax is, however, satisfied when the partnership pays composite estimated tax in the manner prescribed in section 289A.25.

(f) If an electing partner's share of the partnership's gross income from Minnesota sources is less than the filing requirements for a nonresident under this subdivision, the tax liability is zero. However, a statement showing the partner's share of gross income must be included as part of the composite return.

(g) The election provided in this subdivision is only available to a partner who has no other Minnesota source income and who is either (1) a full-year nonresident individual or (2) a trust or estate that does not claim a deduction under either section 651 or 661 of the Internal Revenue Code.

(h) A corporation defined in section 290.9725 and its nonresident shareholders may make an election under this paragraph. The provisions covering the partnership apply to the corporation and the provisions applying to the partner apply to the shareholder.

(i) Estates and trusts distributing current income only and the nonresident individual beneficiaries of the estates or trusts may make an election under this paragraph. The provisions covering the partnership apply to the estate or trust. The provisions applying to the partner apply to the beneficiary.

(j) For the purposes of this subdivision, "income" means the partner's share of federal adjusted gross income from the partnership modified by the additions provided in section 290.0131, subdivisions 8 to 16, and 22, and the subtractions provided in: (1) section 290.0132, subdivision 9, to the extent the amount is assignable or allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14; and (3) section 290.0132, subdivision 30. The subtraction allowed under section 290.0132, subdivision 9, is only
allowed on the composite tax computation to the extent the electing partner would have
been allowed the subtraction.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
after December 31, 2017.

Sec. 2. Minnesota Statutes 2018, section 290.0131, is amended by adding a subdivision
to read:

**Subd. 22. Gain on a like-kind exchange; addition.** In each of the five taxable years
immediately following the taxable year in which a taxpayer claims the subtraction allowed
under section 290.0132, subdivision 31, an amount equal to one-fifth of the subtraction
made by the taxpayer under section 290.0132, subdivision 31, is an addition.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December
31, 2019.

Sec. 3. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision
to read:

**Subd. 31. Gain on a like-kind exchange; subtraction.** A subtraction is allowed equal
to 80 percent of the amount of a previously deferrable gain. For purposes of this subdivision,
"previously deferrable gain" means the gain from an exchange of property that would have
qualified for recognition deferral under section 1031 of the Internal Revenue Code, as
amended through December 16, 2016, but does not qualify for recognition deferral under
section 1031 of the Internal Revenue Code, as amended through December 31, 2018.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December
31, 2019.

Sec. 4. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision
to read:

**Subd. 32. Volunteer driver reimbursement.** (a) A taxpayer is allowed a subtraction
equal to the amount of mileage reimbursement paid by a charitable organization to the
taxpayer for work as a volunteer driver. The subtraction is limited to amounts paid by the
organization that:

(1) are in excess of the mileage rate for use of an automobile in rendering gratuitous
services to a charitable organization under section 170(i) of the Internal Revenue Code; and
(2) do not exceed the standard mileage rate for businesses established under Code of Federal Regulations, title 26, section 1.274-5(j)(2).

(b) For the purposes of this section, "charitable organization" means an organization eligible for a charitable contribution under section 170(c) of the Internal Revenue Code.

(c) This section expires for taxable years beginning after December 31, 2029.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2019, and before January 1, 2030.

Sec. 5. Minnesota Statutes 2018, section 290.0133, is amended by adding a subdivision to read:

Subd. 16. Gain on a like-kind exchange; addition. In each of the five taxable years immediately following the taxable year in which a taxpayer claims the subtraction allowed under section 290.0134, subdivision 21, an amount equal to one-fifth of the subtraction made by the taxpayer under section 290.0134, subdivision 21, is an addition.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2019.

Sec. 6. Minnesota Statutes 2018, section 290.0134, is amended by adding a subdivision to read:

Subd. 21. Gain on a like-kind exchange; subtraction. A subtraction is allowed equal to 80 percent of the amount of a previously deferrable gain. For purposes of this subdivision, "previously deferrable gain" means the gain from an exchange of property that would have qualified for recognition deferral under section 1031 of the Internal Revenue Code, as amended through December 16, 2016, but does not qualify for recognition deferral under section 1031 of the Internal Revenue Code, as amended through December 31, 2018.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2019.

Sec. 7. Minnesota Statutes 2019 Supplement, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. Schedules of rates for individuals, estates, and trusts. (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:
(1) On the first $38,770, 5.35 percent;
(2) On all over $38,770, but not over $154,020, 6.8 percent;
(3) On all over $154,020, but not over $269,010, 7.85 percent;
(4) On all over $269,010, 9.85 percent.

Married individuals filing separate returns, estates, and trusts must compute their income
tax by applying the above rates to their taxable income, except that the income brackets
will be one-half of the above amounts after the adjustment required in subdivision 2d.

(b) The income taxes imposed by this chapter upon unmarried individuals must be
computed by applying to taxable net income the following schedule of rates:

(1) On the first $26,520, 5.35 percent;
(2) On all over $26,520, but not over $87,110, 6.8 percent;
(3) On all over $87,110, but not over $161,720, 7.85 percent;
(4) On all over $161,720, 9.85 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as
a head of household as defined in section 2(b) of the Internal Revenue Code must be
computed by applying to taxable net income the following schedule of rates:

(1) On the first $32,650, 5.35 percent;
(2) On all over $32,650, but not over $131,190, 6.8 percent;
(3) On all over $131,190, but not over $214,980, 7.85 percent;
(4) On all over $214,980, 9.85 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax
of any individual taxpayer whose taxable net income for the taxable year is less than an
amount determined by the commissioner must be computed in accordance with tables
prepared and issued by the commissioner of revenue based on income brackets of not more
than $100. The amount of tax for each bracket shall be computed at the rates set forth in
this subdivision, provided that the commissioner may disregard a fractional part of a dollar
unless it amounts to 50 cents or more, in which case it may be increased to $1.

(e) An individual who is not a Minnesota resident for the entire year must compute the
individual's Minnesota income tax as provided in this subdivision. After the application of
the nonrefundable credits provided in this chapter, the tax liability must then be multiplied
by a fraction in which:
(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by:

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, and 17, and 19, and 290.0137, paragraph (a); and reduced by

(ii) the Minnesota assignable portion of the subtraction for United States government interest under section 290.0132, subdivision 2, the subtractions under sections 290.0132, subdivisions 9, 10, 14, 15, 17, 18, and 27, and 31, and 290.0137, paragraph (c), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code, increased by:

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, and 17, and 19, and 290.0137, paragraph (a); and reduced by

(ii) the subtractions under sections 290.0132, subdivisions 2, 9, 10, 14, 15, 17, 18, and 27, and 31, and 290.0137, paragraph (c).

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2017.

Sec. 8. Minnesota Statutes 2018, section 290.0682, subdivision 2, is amended to read:

Subd. 2. Credit allowed; refundable; appropriation. (a) An eligible individual is allowed a credit against the tax due under this chapter.

(b) The credit for an eligible individual equals the least of:

(1) eligible loan payments minus ten percent of an amount equal to adjusted gross income in excess of $10,000, but in no case less than zero;

(2) the earned income for the taxable year of the eligible individual, if any;

(3) the sum of:

(i) the interest portion of eligible loan payments made during the taxable year; and

(ii) ten percent of the original loan amount of all qualified education loans of the eligible individual; or

(4) $500.

(c) For a part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).
(d) In the case of a married couple, each spouse is eligible for the credit in this section.

(e) If the amount of credit which a claimant is eligible to receive under this section exceeds the claimant's tax liability under this chapter, the commissioner shall refund the excess to the claimant.

(f) An amount sufficient to pay the refunds required by this section is appropriated to the commissioner from the general fund.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2019.

Sec. 9. Minnesota Statutes 2019 Supplement, section 290.091, subdivision 2, is amended to read:

Subd. 2. Definitions. For purposes of the tax imposed by this section, the following terms have the meanings given.

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

   (i) the charitable contribution deduction under section 170 of the Internal Revenue Code;

   (ii) the medical expense deduction;

   (iii) the casualty, theft, and disaster loss deduction; and

   (iv) the impairment-related work expenses of a person with a disability;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);
(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.0131, subdivision 2;

(6) the amount of addition required by section 290.0131, subdivisions 9, 10, and 16;

(7) the deduction allowed under section 199A of the Internal Revenue Code, to the extent not included in the addition required under clause (6); and

(8) to the extent not included in federal alternative minimum taxable income, the amount of foreign-derived intangible income deducted under section 250 of the Internal Revenue Code;

less the sum of the amounts determined under the following:

(i) interest income as defined in section 290.0132, subdivision 2;

(ii) an overpayment of state income tax as provided by section 290.0132, subdivision 3, to the extent included in federal alternative minimum taxable income;

(iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income;

(iv) amounts subtracted from federal taxable or adjusted gross income as provided by section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, and 26 to 29;

(v) the amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (c); and

(vi) the amount allowable as a Minnesota itemized deduction under section 290.0122, subdivision 7.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code, except alternative minimum taxable income must be increased by the addition in section 290.0131, subdivision 16.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Net minimum tax" means the minimum tax imposed by this section.
(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Tentative minimum tax" equals 6.75 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2019.

Sec. 10. Minnesota Statutes 2019 Supplement, section 290.993, is amended to read:

290.993 SPECIAL LIMITED ADJUSTMENT.

(a) For an individual income taxpayer subject to tax under section 290.06, subdivision 2c, or a partnership that elects to file a composite return under section 289A.08, subdivision 7, for taxable years beginning after December 31, 2017, and before January 1, 2019, the following special rules apply:

(1) an individual income taxpayer may: (i) take the standard deduction; or (ii) make an election under section 63(e) of the Internal Revenue Code to itemize, for Minnesota individual income tax purposes, regardless of the choice made on their federal return; and

(2) there is an adjustment to tax equal to the difference between the tax calculated under this chapter using the Internal Revenue Code as amended through December 16, 2016, and the tax calculated under this chapter using the Internal Revenue Code amended through December 31, 2018, before the application of credits. The end result must be zero additional tax due or refund.

(b) The adjustment in paragraph (a), clause (2), does not apply to any changes due to sections 11012, 11031, 13101, 13201, 13202, 13203, 13204, 13205, 13207, 13301, 13302, 13303, 13313, 13502, 13503, 13801, 14101, 14102, 14211 through 14215, and 14501 of Public Law 115-97; and section 40411 of Public Law 115-123.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, and before January 1, 2019.

Sec. 11. SPECIAL PROVISION FOR EXCHANGED PROPERTY IN 2018 AND 2019.

The additions required by Minnesota Statutes, sections 290.0131, subdivision 10, and 290.0133, subdivision 12, do not apply to qualifying depreciable property acquired in taxable...
years beginning after December 31, 2017, and before January 1, 2020. For purposes of this
section, "qualifying depreciable property" means property that is acquired in an exchange,
for which the exchanged property would have qualified for recognition deferral under section
1031 of the Internal Revenue Code, as amended through December 16, 2016, but does not
qualify for recognition deferral under section 1031 of the Internal Revenue Code, as amended
through December 31, 2018.

EFFECTIVE DATE. This section is effective retroactively for property placed in

Sec. 12. DEPARTMENT OF REVENUE FREE FILING REPORT.

(a) By January 15, 2022, the commissioner of revenue must provide a written report to
the chairs and ranking minority members of the legislative committees with jurisdiction
over taxes. The report must comply with the requirements of Minnesota Statutes, sections
3.195 and 3.197, and must also provide information on free electronic filing options for
preparing and filing Minnesota individual income tax returns.

(b) The commissioner must survey tax preparation software vendors for information on
a free electronic preparation and filing option for taxpayers to file Minnesota individual
income tax returns. The survey must request information from vendors that addresses the
following concerns:

(1) system development, capability, security, and costs for consumer-based tax filing
software;

(2) costs per return that would be charged to the state of Minnesota to provide an
electronic individual income tax return preparation, submission, and payment remittance
process;

(3) providing customer service and issue resolution to taxpayers using the software;

(4) providing and maintaining an appropriate link between the Department of Revenue
and the Internal Revenue Service Modernized Electronic Filing Program;

(5) ensuring that taxpayer return information is maintained and protected as required by
Minnesota Statutes, chapters 13 and 270B, Internal Revenue Service Publication 1075, and
any other applicable requirements; and

(6) current availability of products for the free filing and submitting of both Minnesota
and federal returns offered to customers and the income thresholds for using those products.

(c) The report by the commissioner must include at a minimum:
(1) a review of options that other states use for state electronic filing;

(2) an assessment of taxpayer needs for electronic filing, including current filing practices;

(3) an analysis of alternative options to provide free filing, such as tax credits, vendor incentives, or other benefits; and

(4) an analysis of the Internal Revenue Service Free File Program usage.

Sec. 13. APPROPRIATION; DEPARTMENT OF REVENUE FREE FILING REPORT.

$175,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of revenue for the free filing report required under section 1.

ARTICLE 4
C-OPTION CORPORATION ELECTION

Section 1. Minnesota Statutes 2018, section 289A.08, is amended by adding a subdivision to read:

Subd. 7a. Election to file as C-option corporation. (a) A qualifying entity may elect to file a return as a C-option corporation. Except as provided in this subdivision, a C-option corporation must calculate its tax liability as a corporation subject to the franchise tax on corporations imposed in section 290.02 and must allocate its income as a corporation as required under sections 290.17, 290.191, and 290.20.

(b) The election under paragraph (a):

(1) must be made on or before the due date or extended due date of the qualifying entity's return as a C-option corporation;

(2) may only be made by persons who hold more than 50 percent ownership interest in the qualifying entity; and

(3) is binding on all persons who have an ownership interest in the qualifying entity.

(c) The election is binding for a period of four taxable years following the taxable year of the election. The election may be revoked before the expiration of the period if:

(1) the revocation is requested by persons who hold more than 50 percent ownership interest in the qualifying entity; and

(2) the revocation is made on or before the due date or the extended due date of the qualifying entity's return for that year.
(d) If an election is revoked before the expiration of the period, a new election to file as a C-option corporation may not be made by the qualifying entity for the following four taxable years.

(e) The expiration or revocation of an election is effective at the close of a taxable year and nothing in this section releases a C-option corporation from complying with the requirements of this chapter for that taxable year.

(f) For purposes of this subdivision:

(1) "qualifying entity" means a:

   (i) partnership;

   (ii) limited liability company; or

   (iii) corporation organized under subchapter S of the Internal Revenue Code for federal income tax purposes, including a qualified subsidiary also organized under subchapter S of the Internal Revenue Code; and

(2) "C-option corporation" means a qualifying entity that has made the election under paragraph (a).

(g) Tax liability must be calculated by multiplying the Minnesota taxable income of the qualifying entity by a tax rate of 9.85 percent.

(h) A member's, partner's, or shareholder's adjusted basis in the member's, partner's, or shareholder's interest in the limited liability company, partnership, or S corporation is determined as if the election under this subdivision is not made.

(i) A qualifying entity must not have a partnership, limited liability company, or corporation as a member or partner.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2019.

Sec. 2. Minnesota Statutes 2018, section 289A.38, is amended by adding a subdivision to read:

Subd. 17. C-option corporations. For purposes of this section, "taxpayer" includes a C-option corporation, and all applicable reports, amendments, adjustments, assessments, changes in tax, refunds, and statements under this section apply to a C-option corporation for those taxable years in which the C-option election under section 289A.08, subdivision 7a, is effective. For purposes of this subdivision, "C-option corporation" means a qualifying
entity under section 289A.08, subdivision 7a, paragraph (e), that made the election in section 289A.08, subdivision 7a, paragraph (a), for the applicable tax year.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2019.

Sec. 3. Minnesota Statutes 2018, section 290.01, is amended by adding a subdivision to read:

Subd. 4d. **C-option corporation.** "C-option corporation" means a qualifying entity under section 289A.08, subdivision 7a, paragraph (e), that made the election in section 289A.08, subdivision 7a, paragraph (a), for the applicable tax year.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2019.

Sec. 4. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision to read:

Subd. 33. **Income of partners, members, or shareholders.** The amount of income determined after allowable deductions and the additions and subtractions required under this chapter that is received from a qualifying entity, as defined under section 289A.08, subdivision 7a, for purposes of calculating adjusted gross income by a partner, member, or shareholder of a qualifying entity that has elected to file as a C-option corporation under section 289A.08, subdivision 7a, is a subtraction. The amount of net income as adjusted under this subdivision must not be less than zero. The amount of the subtraction allowed under this subdivision may not exceed the partner's, member's, or shareholder's portions of the qualifying entity's net income after assignment under section 290.17, or apportionment under section 290.191 or 290.20, as may be required.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2019.

Sec. 5. Minnesota Statutes 2019 Supplement, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:
(1) On the first $38,770, 5.35 percent;
(2) On all over $38,770, but not over $154,020, 6.8 percent;
(3) On all over $154,020, but not over $269,010, 7.85 percent;
(4) On all over $269,010, 9.85 percent.

Married individuals filing separate returns, estates, and trusts must compute their income
tax by applying the above rates to their taxable income, except that the income brackets
will be one-half of the above amounts after the adjustment required in subdivision 2d.

(b) The income taxes imposed by this chapter upon unmarried individuals must be
computed by applying to taxable net income the following schedule of rates:
(1) On the first $26,520, 5.35 percent;
(2) On all over $26,520, but not over $87,110, 6.8 percent;
(3) On all over $87,110, but not over $161,720, 7.85 percent;
(4) On all over $161,720, 9.85 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as
a head of household as defined in section 2(b) of the Internal Revenue Code must be
computed by applying to taxable net income the following schedule of rates:
(1) On the first $32,650, 5.35 percent;
(2) On all over $32,650, but not over $131,190, 6.8 percent;
(3) On all over $131,190, but not over $214,980, 7.85 percent;
(4) On all over $214,980, 9.85 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax
of any individual taxpayer whose taxable net income for the taxable year is less than an
amount determined by the commissioner must be computed in accordance with tables
prepared and issued by the commissioner of revenue based on income brackets of not more
than $100. The amount of tax for each bracket shall be computed at the rates set forth in
this subdivision, provided that the commissioner may disregard a fractional part of a dollar
unless it amounts to 50 cents or more, in which case it may be increased to $1.

(e) An individual who is not a Minnesota resident for the entire year must compute the
individual's Minnesota income tax as provided in this subdivision. After the application of
the nonrefundable credits provided in this chapter, the tax liability must then be multiplied
by a fraction in which:
(1) the numerator is the individual's Minnesota source federal adjusted gross income as
declared in section 62 of the Internal Revenue Code and increased by:

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, and
17, and 290.0137, paragraph (a); and reduced by

(ii) the Minnesota assignable portion of the subtraction for United States government
interest under section 290.0132, subdivision 2, the subtractions under sections 290.0132,
subdivisions 9, 10, 14, 15, 17, 18, and 27, and 33, and 290.0137, paragraph (c), after applying
the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section
62 of the Internal Revenue Code, increased by:

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, and
17, and 290.0137, paragraph (a); and reduced by

(ii) the subtractions under sections 290.0132, subdivisions 2, 9, 10, 14, 15, 17, 18, and
27, and 33, and 290.0137, paragraph (c).

EFFECTIVE DATE. This section is effective for taxable years beginning after December
31, 2019.

Sec. 6. Minnesota Statutes 2018, section 290.06, subdivision 22, is amended to read:

Subd. 22. Credit for taxes paid to another state. (a) A taxpayer who is liable for taxes
based on net income to another state, as provided in paragraphs (b) through (f), upon income
allocated or apportioned to Minnesota, is entitled to a credit for the tax paid to another state
if the tax is actually paid in the taxable year or a subsequent taxable year. A taxpayer who
is a resident of this state pursuant to section 290.01, subdivision 7, paragraph (b), and who
is subject to income tax as a resident in the state of the individual's domicile is not allowed
this credit unless the state of domicile does not allow a similar credit.

(b) For an individual, estate, or trust, the credit is determined by multiplying the tax
payable under this chapter by the ratio derived by dividing the income subject to tax in the
other state that is also subject to tax in Minnesota while a resident of Minnesota by the
taxpayer's federal adjusted gross income, as defined in section 62 of the Internal Revenue
Code, modified by the addition required by section 290.0131, subdivision 2, and the
subtraction allowed by section 290.0132, subdivision 2, to the extent the income is allocated
or assigned to Minnesota under sections 290.081 and 290.17.
(c) If the taxpayer is an athletic team that apportions all of its income under section 290.17, subdivision 5, the credit is determined by multiplying the tax payable under this chapter by the ratio derived from dividing the total net income subject to tax in the other state by the taxpayer's Minnesota taxable income.

(d)(1) The credit determined under paragraph (b) or (c) shall not exceed the amount of tax so paid to the other state on the gross income earned within the other state subject to tax under this chapter; and

(2) the allowance of the credit does not reduce the taxes paid under this chapter to an amount less than what would be assessed if the gross income earned within the other state were excluded from taxable net income.

(e) In the case of the tax assessed on a lump-sum distribution under section 290.032, the credit allowed under paragraph (a) is the tax assessed by the other state on the lump-sum distribution that is also subject to tax under section 290.032, and shall not exceed the tax assessed under section 290.032. To the extent the total lump-sum distribution defined in section 290.032, subdivision 1, includes lump-sum distributions received in prior years or is all or in part an annuity contract, the reduction to the tax on the lump-sum distribution allowed under section 290.032, subdivision 2, includes tax paid to another state that is properly apportioned to that distribution.

(f) If a Minnesota resident reported an item of income to Minnesota and is assessed tax in such other state on that same income after the Minnesota statute of limitations has expired, the taxpayer shall receive a credit for that year under paragraph (a), notwithstanding any statute of limitations to the contrary. The claim for the credit must be submitted within one year from the date the taxes were paid to the other state. The taxpayer must submit sufficient proof to show entitlement to a credit.

(g) For the purposes of this subdivision, a resident shareholder of a corporation treated as an "S" corporation under section 290.9725, must be considered to have paid a tax imposed on the shareholder in an amount equal to the shareholder's pro rata share of any net income tax paid by the S corporation to another state. For the purposes of the preceding sentence, the term "net income tax" means any tax imposed on or measured by a corporation's net income.

(h) For the purposes of this subdivision, a resident partner of an entity taxed as a partnership under the Internal Revenue Code must be considered to have paid a tax imposed on the partner in an amount equal to the partner's pro rata share of any net income tax paid...
by the partnership to another state. For purposes of the preceding sentence, the term "net
income" tax means any tax imposed on or measured by a partnership's net income.

(i) For the purposes of this subdivision, "another state":

(1) includes:

(i) the District of Columbia; and

(ii) a province or territory of Canada; but

(2) excludes Puerto Rico and the several territories organized by Congress.

(j) The limitations on the credit in paragraphs (b), (c), and (d), are imposed on a state
by state basis.

(k) For a tax imposed by a province or territory of Canada, the tax for purposes of this
subdivision is the excess of the tax over the amount of the foreign tax credit allowed under
section 27 of the Internal Revenue Code. In determining the amount of the foreign tax credit
allowed, the net income taxes imposed by Canada on the income are deducted first. Any
remaining amount of the allowable foreign tax credit reduces the provincial or territorial
tax that qualifies for the credit under this subdivision.

(l)(1) The credit allowed to a qualifying individual under this section for tax paid to a
qualifying state equals the credit calculated under paragraphs (b) and (d), plus the amount
calculated by multiplying:

(i) the difference between the preliminary credit and the credit calculated under paragraphs
(b) and (d), by

(ii) the ratio derived by dividing the income subject to tax in the qualifying state that
consists of compensation for performance of personal or professional services by the total
amount of income subject to tax in the qualifying state.

(2) If the amount of the credit that a qualifying individual is eligible to receive under
clause (1) for tax paid to a qualifying state exceeds the tax due under this chapter before
the application of the credit calculated under clause (1), the commissioner shall refund the
excess to the qualifying individual. An amount sufficient to pay the refunds required by this
subdivision is appropriated to the commissioner from the general fund.

(3) For purposes of this paragraph, "preliminary credit" means the credit that a qualifying
individual is eligible to receive under paragraphs (b) and (d) for tax paid to a qualifying
state without regard to the limitation in paragraph (d), clause (2); "qualifying individual"
means a Minnesota resident under section 290.01, subdivision 7, paragraph (a), who received
compensation during the taxable year for the performance of personal or professional services within a qualifying state; and "qualifying state" means a state with which an agreement under section 290.081 is not in effect for the taxable year but was in effect for a taxable year beginning before January 1, 2010.

(m) A qualifying entity making an election to be taxed as a C-option corporation under section 289A.08, subdivision 7a, may claim a credit for the amount of any net income tax paid to another state on a composite return filed with that state on behalf of its Minnesota resident partners, members, or shareholders. For purposes of this paragraph, "net income tax" means any tax imposed on or measured by net income, but "net income" does not include any income that is apportioned to this state under section 290.191 or 290.20.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2019.

Sec. 7. Minnesota Statutes 2019 Supplement, section 290.091, subdivision 2, is amended to read:

Subd. 2. Definitions. For purposes of the tax imposed by this section, the following terms have the meanings given.

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

(i) the charitable contribution deduction under section 170 of the Internal Revenue Code;

(ii) the medical expense deduction;

(iii) the casualty, theft, and disaster loss deduction; and

(iv) the impairment-related work expenses of a person with a disability;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);
to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.0131, subdivision 2;

(6) the amount of addition required by section 290.0131, subdivisions 9, 10, and 16;

(7) the deduction allowed under section 199A of the Internal Revenue Code, to the extent not included in the addition required under clause (6); and

(8) to the extent not included in federal alternative minimum taxable income, the amount of foreign-derived intangible income deducted under section 250 of the Internal Revenue Code;

less the sum of the amounts determined under the following:

(i) interest income as defined in section 290.0132, subdivision 2;

(ii) an overpayment of state income tax as provided by section 290.0132, subdivision 3, to the extent included in federal alternative minimum taxable income;

(iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income;

(iv) amounts subtracted from federal taxable or adjusted gross income as provided by section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, and 26 to 29, 33;

(v) the amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (c); and

(vi) the amount allowable as a Minnesota itemized deduction under section 290.0122, subdivision 7.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code, except alternative minimum taxable income must be increased by the addition in section 290.0131, subdivision 16.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Net minimum tax" means the minimum tax imposed by this section.
(d) "Regular tax" means the tax that would be imposed under this chapter (without regard
to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed
under this chapter.

(e) "Tentative minimum tax" equals 6.75 percent of alternative minimum taxable income
after subtracting the exemption amount determined under subdivision 3.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December
31, 2019.

Sec. 8. [290.096] SPECIAL RULES FOR C-OPTION CORPORATIONS.

Subdivision 1. **Allocation of subtractions and credits.** No carryover generated by a
C-option corporation for a subtraction or credit allowed under this chapter that remains after
the revocation or expiration of the election in section 289A.08, subdivision 7, paragraph
(a), may be claimed by a partner, member, or shareholder of that C-option corporation.

Subd. 2. **Credits.** (a) Credits and credit carryovers against the tax due under this chapter
that are claimed by a C-option corporation must be distributed as follows:

(1) for a nonrefundable credit, the credit is distributed to the C-option corporation; and

(2) for a refundable credit, the amount of the credit that does not exceed the C-option
corporation's taxable income is distributed to the C-option corporation and the amount of
the credit that exceeds the amount of the C-option corporation's taxable income is distributed
in the same manner as the subtraction in section 290.0132, subdivision 33.

(b) A credit carryover generated by an individual taxpayer may be claimed by a C-option
corporation of which the individual is a partner, member, or shareholder.

Subd. 3. **Refunds.** (a) A C-option corporation may make a claim for a refund under
section 289A.50. Refunds must be paid to each partner, member, or shareholder in the same
manner as the distribution of the subtraction in section 290.0132, subdivision 33.

(b) For purposes of applying interest to refunds under paragraph (a), the amount refunded
bears interest under section 289A.56, subdivision 2, from the later of when the partner's,
member's, or shareholder's individual return is filed or when the C-option corporation's
return is filed.

Subd. 4. **Estimated tax.** (a) A C-option corporation must make payments of estimated
tax as required under section 289A.26.

(b) Payments of estimated tax under paragraph (a) made by a C-option corporation for
a taxable year for which the taxpayer is not a C-option corporation must be distributed to
each partner, member, or shareholder in the same manner as the distribution of the subtraction
in section 290.0132, subdivision 33.

EFFECTIVE DATE. This section is effective for taxable years beginning after December
31, 2019.

Sec. 9. Minnesota Statutes 2018, section 290.92, subdivision 4b, is amended to read:

Subd. 4b. Withholding by partnerships. (a) A partnership shall deduct and withhold
a tax as provided in paragraph (b) for nonresident individual partners based on their
distributive shares of partnership income for a taxable year of the partnership.

(b) The amount of tax withheld is determined by multiplying the partner's distributive
share allocable to Minnesota under section 290.17, paid or credited during the taxable year
by the highest rate used to determine the income tax liability for an individual under section
290.06, subdivision 2c, except that the amount of tax withheld may be determined by the
commissioner if the partner submits a withholding exemption certificate under subdivision
5.

(c) The commissioner may reduce or abate the tax withheld under this subdivision if the
partnership had reasonable cause to believe that no tax was due under this section.

(d) Notwithstanding paragraph (a), a partnership is not required to deduct and withhold
tax for a nonresident partner if:

(1) the partner elects to have the tax due paid as part of the partnership's composite return
under section 289A.08, subdivision 7;

(2) the partner has Minnesota assignable federal adjusted gross income from the
partnership of less than $1,000; or

(3) the partnership is liquidated or terminated, the income was generated by a transaction
related to the termination or liquidation, and no cash or other property was distributed in
the current or prior taxable year;

(4) the distributive shares of partnership income are attributable to:

(i) income required to be recognized because of discharge of indebtedness;

(ii) income recognized because of a sale, exchange, or other disposition of real estate,
depreciable property, or property described in section 179 of the Internal Revenue Code;
or

Article 4 Sec. 9. 48
(iii) income recognized on the sale, exchange, or other disposition of any property that
has been the subject of a basis reduction pursuant to section 108, 734, 743, 754, or 1017 of
the Internal Revenue Code
to the extent that the income does not include cash received or receivable or, if there is cash
received or receivable, to the extent that the cash is required to be used to pay indebtedness
by the partnership or a secured debt on partnership property;

(5) the partnership is a publicly traded partnership, as defined in section 7704(b) of the
Internal Revenue Code; or

(6) the partnership has elected to be taxed as a C-option corporation under section
289A.08, subdivision 7a.

(e) For purposes of sections 270C.60, 289A.09, subdivision 2, 289A.20, subdivision 2,
paragraph (c), 289A.50, 289A.56, 289A.60, and 289A.63, a partnership is considered an
employer.

(f) To the extent that income is exempt from withholding under paragraph (d), clause
(4), the commissioner has a lien in an amount up to the amount that would be required to
be withheld with respect to the income of the partner attributable to the partnership interest,
but for the application of paragraph (d), clause (4). The lien arises under section 270C.63
from the date of assessment of the tax against the partner, and attaches to that partner's share
of the profits and any other money due or to become due to that partner in respect of the
partnership. Notice of the lien may be sent by mail to the partnership, without the necessity
for recording the lien. The notice has the force and effect of a levy under section 270C.67,
and is enforceable against the partnership in the manner provided by that section. Upon
payment in full of the liability subsequent to the notice of lien, the partnership must be
notified that the lien has been satisfied.

EFFECTIVE DATE. This section is effective for taxable years beginning after December
31, 2019.

Sec. 10. Minnesota Statutes 2018, section 290.92, subdivision 4c, is amended to read:

Subd. 4c. Withholding by S corporations. (a) A corporation having a valid election in
effect under section 290.9725 shall deduct and withhold a tax as provided in paragraph (b)
for nonresident individual shareholders their share of the corporation's income for the taxable
year.

(b) The amount of tax withheld is determined by multiplying the amount of income
allocable to Minnesota under section 290.17 by the highest rate used to determine the income
tax liability of an individual under section 290.06, subdivision 2c, except that the amount
of tax withheld may be determined by the commissioner if the shareholder submits a
withholding exemption certificate under subdivision 5.

(c) Notwithstanding paragraph (a), a corporation is not required to deduct and withhold
tax for a nonresident shareholder, if:

(1) the shareholder elects to have the tax due paid as part of the corporation's composite
return under section 289A.08, subdivision 7;

(2) the shareholder has Minnesota assignable federal adjusted gross income from the
corporation of less than $1,000; or

(3) the corporation is liquidated or terminated, the income was generated by a transaction
related to the termination or liquidation, and no cash or other property was distributed in
the current or prior taxable year; or

(4) the S corporation has elected to be taxed as a C-option corporation under section
289A.08, subdivision 7a.

(d) For purposes of sections 270C.60, 289A.09, subdivision 2, 289A.20, subdivision 2,
paragraph (c), 289A.50, 289A.56, 289A.60, and 289A.63, a corporation is considered an
employer.

EFFECTIVE DATE. This section is effective for taxable years beginning after December
31, 2019.

ARTICLE 5
SALES AND USE TAXES

Section 1. Minnesota Statutes 2018, section 297A.70, subdivision 13, is amended to read:

Subd. 13. **Fund-raising sales by or for nonprofit groups.** (a) The following sales by
the specified organizations for fund-raising purposes are exempt, subject to the limitations
listed in paragraph (b):

(1) all sales made by a nonprofit organization that exists solely for the purpose of
providing educational or social activities for young people primarily age 18 and under;

(2) all sales made by an organization that is a senior citizen group or association of
groups if (i) in general it limits membership to persons age 55 or older; (ii) it is organized
and operated exclusively for pleasure, recreation, and other nonprofit purposes; and (iii) no
part of its net earnings inures to the benefit of any private shareholders;
(3) the sale or use of tickets or admissions to a golf tournament held in Minnesota if the beneficiary of the tournament’s net proceeds qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code; and

(4) sales of candy sold for fund-raising purposes by a nonprofit organization that provides educational and social activities primarily for young people age 18 and under.

(b) The exemptions listed in paragraph (a) are limited in the following manner:

(1) the exemption under paragraph (a), clauses (1) and (2), applies only to the first $20,000 of the gross annual receipts of the organization from fund-raising; and

(2) the exemption under paragraph (a), clause (1), does not apply if the sales are derived from admission charges or from activities for which the money must be deposited with the school district treasurer under section 123B.49, subdivision 2;

(3) the exemption under paragraph (a), clause (1), does not apply if the sales are derived from admission charges or from activities for which the money must be recorded in the same manner as other revenues or expenditures of the school district under section 123B.49, subdivision 4, unless the following conditions are both met:

(i) the sales are made for fund-raising purposes of a club, association, or other organization of elementary or secondary school students organized for the purpose of carrying on sports activities, educational activities, or other extracurricular activities; and

(ii) the school district reserves revenue raised for extracurricular activities, as provided in section 123B.49, subdivision 4, paragraph (e), and spends the revenue raised by a particular extracurricular activity only for that extracurricular activity.

(c) Sales of tangible personal property and services are exempt if the entire proceeds, less the necessary expenses for obtaining the property or services, will be contributed to a registered combined charitable organization described in section 43A.50, to be used exclusively for charitable, religious, or educational purposes, and the registered combined charitable organization has given its written permission for the sale. Sales that occur over a period of more than 24 days per year are not exempt under this paragraph.

(d) For purposes of this subdivision, a club, association, or other organization of elementary or secondary school students organized for the purpose of carrying on sports, educational, or other extracurricular activities is a separate organization from the school district or school for purposes of applying the $20,000 limit.

EFFECTIVE DATE. This section is effective for sales and purchases made after the date of final enactment.
Sec. 2. Minnesota Statutes 2019 Supplement, section 297A.71, subdivision 52, is amended to read:

Subd. 52. Construction; certain local government facilities. (a) Materials and supplies used in and equipment incorporated into the construction, reconstruction, upgrade, expansion, or remodeling of the following local government owned facilities are exempt:

(1) a new fire station, which includes firefighting, emergency management, public safety training, and other public safety facilities in the city of Monticello if materials, supplies, and equipment are purchased after January 31, 2019, and before January 1, 2022;

(2) a new fire station, which includes firefighting and public safety training facilities and public safety facilities, in the city of Inver Grove Heights if materials, supplies, and equipment are purchased after June 30, 2018, and before January 1, 2021;

(3) a fire station and police station, including access roads, lighting, sidewalks, and utility components, on or adjacent to the property on which the fire station or police station are located that are necessary for safe access to and use of those buildings, in the city of Minnetonka if materials, supplies, and equipment are purchased after May 23, 2019, and before January 1, 2022;

(4) the school building in Independent School District No. 414, Minneota, if materials, supplies, and equipment are purchased after January 1, 2018, and before January 1, 2021;

(5) a fire station in the city of Mendota Heights, if materials, supplies, and equipment are purchased after December 31, 2018, and before January 1, 2021; and

(6) a Dakota County law enforcement collaboration center, also known as the Safety and Mental Health Alternative Response Training (SMART) Center, if materials, supplies, and equipment are purchased after June 30, 2019, and before July 1, 2021;

(7) a new fire station and emergency management operations center, including on-site infrastructure improvements of parking lot, road access, lighting, sidewalks, and utility components in the city of Maplewood if materials, supplies, and equipment are purchased after September 30, 2020, and before April 1, 2023;

(8) a new police station, which includes police administration, meeting, training, and short-term detention facilities in the city of Crystal, if materials, supplies, and equipment are purchased after December 31, 2020, and before January 1, 2024;

(9) a new fire station, which includes firefighting, emergency management, public safety training, and other public safety facilities in the city of Buffalo, if materials, supplies, and equipment are purchased after April 30, 2020, and before November 1, 2021;
(10) a new fire station in the city of Grand Rapids, if materials, supplies, and equipment are purchased after July 31, 2020, and before August 1, 2022;

(11) a new fire station constructed on the site of a previous fire station in the city of Bloomington, if materials, supplies, and equipment are purchased after December 31, 2020, and before January 1, 2023; and

(12) a fire station in the city of St. Peter if materials, supplies, and equipment are purchased after June 30, 2020, and before March 1, 2022.

(b) The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner provided in section 297A.75.

(c) The total refund for the project listed in paragraph (a), clause (3), must not exceed $850,000.

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

Sec. 3. Minnesota Statutes 2018, section 297A.71, is amended by adding a subdivision to read:

Subd. 53. Properties destroyed or damaged by a fire. (a) Building materials and supplies used or consumed in, and equipment incorporated into, the construction or replacement of real property affected by, and capital equipment to replace equipment destroyed in, the fire on February 25, 2020, in the city of Alexandria are exempt. For purposes of this subdivision, "capital equipment" includes durable equipment used in a restaurant for food storage, preparation, and serving.

(b) Building cleaning and disinfecting services related to mitigating smoke damage in buildings impacted by the fire on February 25, 2020, in the city of Alexandria are exempt.

(c) The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner provided in section 297A.75. The exemption under paragraph (a) applies to sales and purchases made after February 24, 2020, and before February 28, 2023. The exemption under paragraph (b) applies to sales and purchases made after February 24, 2020, and before January 1, 2021.

(d) This subdivision expires March 1, 2023.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively to sales and purchases made after February 24, 2020.
Sec. 4. Minnesota Statutes 2019 Supplement, section 297A.75, subdivision 1, is amended to read:

Subdivision 1. Tax collected. The tax on the gross receipts from the sale of the following exempt items must be imposed and collected as if the sale were taxable and the rate under section 297A.62, subdivision 1, applied. The exempt items include:

(1) building materials for an agricultural processing facility exempt under section 297A.71, subdivision 13;

(2) building materials for mineral production facilities exempt under section 297A.71, subdivision 14;

(3) building materials for correctional facilities under section 297A.71, subdivision 3;

(4) building materials used in a residence for veterans with a disability exempt under section 297A.71, subdivision 11;

(5) elevators and building materials exempt under section 297A.71, subdivision 12;

(6) materials and supplies for qualified low-income housing under section 297A.71, subdivision 23;

(7) materials, supplies, and equipment for municipal electric utility facilities under section 297A.71, subdivision 35;

(8) equipment and materials used for the generation, transmission, and distribution of electrical energy and an aerial camera package exempt under section 297A.68, subdivision 37;

(9) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph (a), clause (10);

(10) materials, supplies, and equipment for construction or improvement of projects and facilities under section 297A.71, subdivision 40;

(11) materials, supplies, and equipment for construction, improvement, or expansion of:

(i) an aerospace defense manufacturing facility exempt under Minnesota Statutes 2014, section 297A.71, subdivision 42;

(ii) a biopharmaceutical manufacturing facility exempt under section 297A.71, subdivision 45;
(iii) a research and development facility exempt under Minnesota Statutes 2014, section 297A.71, subdivision 46; and

(iv) an industrial measurement manufacturing and controls facility exempt under Minnesota Statutes 2014, section 297A.71, subdivision 47;

(12) enterprise information technology equipment and computer software for use in a qualified data center exempt under section 297A.68, subdivision 42;

(13) materials, supplies, and equipment for qualifying capital projects under section 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);

(14) items purchased for use in providing critical access dental services exempt under section 297A.70, subdivision 7, paragraph (c);

(15) items and services purchased under a business subsidy agreement for use or consumption primarily in greater Minnesota exempt under section 297A.68, subdivision 44;

(16) building materials, equipment, and supplies for constructing or replacing real property exempt under section 297A.71, subdivisions 49; 50, paragraph (b); and 51; and 53, paragraph (a); and cleaning services for smoke damaged property under section 297A.71, subdivision 53, paragraph (b); and

(17) building materials, equipment, and supplies for qualifying capital projects under section 297A.71, subdivision 52.

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

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Sec. 5. **STATE HIGH SCHOOL LEAGUE; FUNDING FLEXIBILITY.**

Notwithstanding Minnesota Statutes, section 128C.24, the Minnesota State High School League may reduce the transfer of sales tax savings to a nonprofit charitable foundation created for the purpose of promoting high school extracurricular activities by up to $500,000 in total over the 2019-2020 and 2020-2021 school years. Any sales tax savings amounts not transferred must be used for operations of the Minnesota State High School League.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies retroactively to sales tax savings in the 2019-2020 and 2020-2021 school years.
Sec. 6. APPROPRIATION.

(a) $150,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of public safety for grants to remediate the effects of the fire in the city of Alexandria on February 25, 2020.

(b) A grant recipient may use the money appropriated under this section for remediation costs, including disaster recovery, infrastructure, reimbursement for emergency personnel costs, reimbursement for equipment costs, and reimbursement for property tax abatements incurred by public or private entities as a result of the fire. This is a onetime appropriation and is available until June 30, 2022.

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

ARTICLE 6
MISCELLANEOUS

Section 1. Minnesota Statutes 2018, section 462A.38, as amended by Laws 2019 First Special Session chapter 1, article 6, section 28, is amended to read:

462A.38 WORKFORCE AND AFFORDABLE HOMEOWNERSHIP DEVELOPMENT PROGRAM.

Subdivision 1. Establishment. A workforce and affordable homeownership development program is established to award homeownership development grants and loans to cities, tribal governments, nonprofit organizations, cooperatives created under chapter 308A or 308B, and community land trusts created for the purposes outlined in section 462A.31, subdivision 1, for development of workforce and affordable homeownership projects. The purpose of the program is to increase the supply of workforce and affordable, owner-occupied multifamily or single-family housing throughout Minnesota.

Subd. 2. Use of funds. (a) Grant funds and loans awarded under this program may be used for:

(1) development costs;

(2) rehabilitation;

(3) land development; and

(4) residential housing, including storm shelters and related community facilities.
(b) A project funded through the grant this program shall serve households that meet the income limits as provided in section 462A.33, subdivision 5, unless a project is intended for the purpose outlined in section 462A.02, subdivision 6.

Subd. 3. Application. The commissioner shall develop forms and procedures for soliciting and reviewing applications for grants and loans under this section. The commissioner shall consult with interested stakeholders when developing the guidelines and procedures for the program. In making grants and loans, the commissioner shall establish semiannual application deadlines in which grants and loans will be authorized from all or part of the available appropriations.

Subd. 4. Awarding grants and loans. Among comparable proposals, preference must be given to proposals that include contributions from nonstate resources for the greatest portion of the total development cost.

Subd. 5. Statewide program. The agency shall attempt to make grants and loans in approximately equal amounts to applicants outside and within the metropolitan area, as defined under section 473.121, subdivision 2.

Subd. 6. Report. Beginning January 15, 2018 2021, the commissioner must annually submit a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over housing and workforce development specifying the projects that received grants and loans under this section and the specific purposes for which the grant or loan funds were used.

Subd. 7. Workforce and affordable homeownership development account. A workforce and affordable homeownership development account is established in the housing development fund. Money in the account, including interest, is appropriated to the commissioner of the Housing Finance Agency for the purposes of this section. The amount appropriated under this section must supplement traditional sources of funding for this purpose and must not be used as a substitute or to pay debt service on bonds.

Subd. 8. Deposits; funding amount. (a) In fiscal years 2022 to 2032, the commissioner of management and budget shall annually transfer, by September 15, an amount equal to $4,000,000 of the state's portion of the proceeds derived from the mortgage registry tax imposed under section 287.035 and the deed tax imposed under section 287.21, from the general fund into the workforce and affordable homeownership account in the housing development fund.

(b) All loan repayments received under this section are to be deposited into the workforce and affordable homeownership development account in the housing development fund.
EFFECTIVE DATE. This section is effective July 1, 2020.

Sec. 2. Minnesota Statutes 2018, section 469.176, is amended by adding a subdivision to read:

Subd. 4n. Temporary use of increment authorized. (a) Notwithstanding any other provision of this section, section 469.1763, or special law, upon the request of the municipality, the authority may elect, by resolution, to transfer unobligated increments from a district to the municipality for deposit into the municipality's general fund. The permitted transfer is allowed only after the spending plan and public hearing requirements under paragraph (c) are met. Transferred increments may be expended for any purpose the municipality's general fund permits.

(b) For each calendar year for which transfers are permitted under this section, the maximum transfer equals the excess of the district's unobligated increment which includes any increment not required for payments of obligations due during the six months following the transfer on outstanding bonds, binding contracts, and other outstanding financial obligations of the district to which the district's increments are pledged.

(c) The authority may undertake actions pursuant to this subdivision only after creating a written spending plan that authorizes the authority to take the action described in paragraph (a) and details the use of transferred increment. Additionally, the municipality must approve the authority's spending plan and modify the authority's tax increment financing plan after holding a public hearing. The municipality must publish notice of the hearing in a newspaper of general circulation in the municipality and on the municipality's public website at least ten days, but not more than 30 days, prior to the date of the hearing.

(d) Increment that is improperly received, spent, or transferred is not eligible for a transfer under this subdivision.

(e) An authority making a transfer under this subdivision must provide to the Office of the State Auditor a copy of the spending plan approved and signed by the municipality, as well as a copy of the updated tax increment financing plan.

(f) The authority to transfer increments under this subdivision expires on December 31, 2021. All transferred increment must be spent by December 31, 2021. If the transferred increment cannot be spent by December 31, 2021, the municipality must adopt a plan that details the use of transferred increment.
EFFECTIVE DATE. This section is effective the day following final enactment and applies to increments, unobligated as of the date of enactment, from any district, regardless of when the request for certification was made.

Sec. 3. Minnesota Statutes 2018, section 469.1763, subdivision 3, is amended to read:

Subd. 3. Five-year rule. (a) Revenues derived from tax increments paid by properties in the district are considered to have been expended on an activity within the district under subdivision 2 only if one of the following occurs:

(1) before or within five years after certification of the district, the revenues are actually paid to a third party with respect to the activity;

(2) bonds, the proceeds of which must be used to finance the activity, are issued and sold to a third party before or within five years after certification, the revenues are spent to repay the bonds, and the proceeds of the bonds either are, on the date of issuance, reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii) a reasonable temporary period within the meaning of the use of that term under section 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve or replacement fund;

(3) binding contracts with a third party are entered into for performance of the activity before or within five years after certification of the district and the revenues are spent under the contractual obligation;

(4) costs with respect to the activity are paid before or within five years after certification of the district and the revenues are spent to reimburse a party for payment of the costs, including interest on unreimbursed costs; or

(5) expenditures are made for housing purposes as permitted by subdivision 2, paragraphs (b) and (d), or for public infrastructure purposes within a zone as permitted by subdivision 2, paragraph (e).

(b) For purposes of this subdivision, bonds include subsequent refunding bonds if the original refunded bonds meet the requirements of paragraph (a), clause (2).

(c) For a redevelopment district or a renewal and renovation district certified after June 30, 2003, and before April 20, 2009, the five-year periods described in paragraph (a) are extended to ten years after certification of the district. For a redevelopment district certified after April 20, 2009, and before June 30, 2012, the five-year periods described in paragraph (a) are extended to eight years after certification of the district. This extension is provided...
primarily to accommodate delays in development activities due to unanticipated economic circumstances.

(d) For a redevelopment district that is located outside of the metropolitan area defined in section 473.121, subdivision 2, that is certified after June 30, 2020, the five-year periods described in paragraph (a) are extended to ten years after certification of the district.

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

Sec. 4. Minnesota Statutes 2018, section 469.1763, subdivision 4, is amended to read:

Subd. 4. Use of revenues for decertification. (a) In each year beginning with the sixth year following certification of the district, or beginning with the eleventh year following certification of the district for districts whose five-year rule is extended to ten years under subdivision 3, if the applicable in-district percent of the revenues derived from tax increments paid by properties in the district exceeds the amount of expenditures that have been made for costs permitted under subdivision 3, an amount equal to the difference between the in-district percent of the revenues derived from tax increments paid by properties in the district and the amount of expenditures that have been made for costs permitted under subdivision 3 must be used and only used to pay or defease the following or be set aside to pay the following:

(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b);

(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4);

(3) credit enhanced bonds to which the revenues derived from tax increments are pledged, but only to the extent that revenues of the district for which the credit enhanced bonds were issued are insufficient to pay the bonds and to the extent that the increments from the applicable pooling percent share for the district are insufficient; or

(4) the amount provided by the tax increment financing plan to be paid under subdivision 2, paragraphs (b), (d), and (e).

(b) The district must be decertified and the pledge of tax increment discharged when the outstanding bonds have been defeased and when sufficient money has been set aside to pay, based on the increment to be collected through the end of the calendar year, the following amounts:

(1) contractual obligations as defined in subdivision 3, paragraph (a), clauses (3) and (4);
(2) the amount specified in the tax increment financing plan for activities qualifying under subdivision 2, paragraph (b), that have not been funded with the proceeds of bonds qualifying under paragraph (a), clause (1); and

(3) the additional expenditures permitted by the tax increment financing plan for housing activities under an election under subdivision 2, paragraph (d), that have not been funded with the proceeds of bonds qualifying under paragraph (a), clause (1).

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

Sec. 5. Minnesota Statutes 2018, section 469.190, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** (a) Notwithstanding section 477A.016 or any other law, a statutory or home rule charter city may by ordinance, and a town may by the affirmative vote of the electors at the annual town meeting, or at a special town meeting, impose a tax of up to three percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more. A statutory or home rule charter city may by ordinance impose the tax authorized under this subdivision on the camping site receipts of a municipal campground.

(b) Except as provided in paragraph (c), the tax imposed under this subdivision, under a city charter, or under a special law applies to the entire consideration paid to obtain access to lodging, including ancillary or related services, such as services provided by accommodation intermediaries as defined under section 297A.61, subdivision 47, and similar services.

(c) A statutory or home rule charter city upon an affirmative vote by the city council, or a town by an affirmative vote by the voters at a regular or special town meeting, may exempt accommodation intermediaries, as defined in section 297A.61, subdivision 47, and similar services from a tax as required under paragraph (b), provided that:

(1) the taxing jurisdiction collects and administers its lodging tax; and

(2) there are ten or fewer lodging establishments located in the taxing jurisdiction.

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

Sec. 6. Minnesota Statutes 2018, section 469.190, subdivision 7, is amended to read:

Subd. 7. **Collection.** (a) The statutory or home rule charter city may agree with the commissioner of revenue that a tax imposed pursuant to this section shall be collected by
the commissioner together with the tax imposed by chapter 297A, and subject to the same
interest, penalties, and other rules and that its proceeds, less the cost of collection, shall be
remitted to the city.

(b) If a tax under this section or under a special law is not collected by the commissioner
of revenue, the local government imposing the tax, may by ordinance, limit the required
filing and remittance of the tax by an accommodation intermediary, as defined in section
297A.61, subdivision 47, to once in every calendar year. The local government must inform
the accommodation intermediary of the date when the return or remittance is due and the
dates must coincide with one of the monthly dates for filing and remitting state sales tax
under chapter 297A. The local government must also provide accommodation intermediaries
electronically with geographic and zip code information necessary to correctly collect the
tax.

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

Sec. 7. [469.1905] TEMPORARY USE OF SPECIAL TAX REVENUES.

(a) Notwithstanding the provisions of the enabling special law, or local ordinances or
charter provisions, a city, town, or county may, subject to the limitations in paragraph (b)
and the notice and hearing requirements in paragraph (c), use the revenues for any allowed
municipal purpose, from the following local taxes enacted before 1972, imposed pursuant
to section 297A.993, or imposed under a special law:

(1) a general local sales tax;

(2) a food and beverage tax;

(3) a liquor tax;

(4) an amusement tax;

(5) an admissions tax; or

(6) a lodging tax, other than a lodging tax imposed under section 469.190.

(b) The amount of local taxes used by the municipality for purposes other than the
purposes allowed under the enabling special law or other ordinance or charter provisions
is limited in any calendar quarter to the amount of local taxes raised in excess of the sum
of:

(1) required payments of obligations due during the calendar quarter following the
transfer on outstanding bonds and binding contracts to which the revenues from the local
taxes are pledged; plus
(2) the amount of revenues from any lodging taxes under paragraph (a) that are required to be used for the same purposes as a lodging tax imposed under section 469.190, subdivision 3.

(c) The municipality may undertake actions pursuant to this subdivision only after approving a written spending plan that authorizes the municipality to take the action described in paragraph (a) and details the use of transferred special tax revenues. The municipality must approve the spending plan after holding a public hearing. The municipality must publish notice of the hearing in a newspaper of general circulation in the municipality and on the municipality's public website at least ten days, but not more than 30 days, prior to the date of the hearing.

(d) This section expires on December 31, 2021.

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

Sec. 8. LOCAL SALES TAX CRITERIA WORKING GROUP.

Subdivision 1. Working group established; purpose. A local sales tax criteria working group is established to develop definitions and criteria for evaluating local sales tax proposals under Minnesota Statutes, section 297A.99, subdivisions 1a and 2. The goals of the working group are to (1) identify specific types of capital projects that could potentially be deemed regionally significant, and (2) develop criteria for each type of project to use to determine regional significance for purposes of granting a local sales tax as the funding mechanism for the project.

Subd. 2. Working group members. The local sales tax criteria working group consists of the following members:

(1) the commissioner of revenue or the commissioner's designee;

(2) one member appointed by the League of Minnesota Cities;

(3) one member appointed by the Association of Minnesota Counties;

(4) one member appointed by the Minnesota Association of Townships;

(5) one member appointed by the Minnesota Small City Association;

(6) one member appointed by the Coalition of Greater Minnesota Cities;

(7) one member appointed by the Association of Metropolitan Municipalities; and

(8) four public members appointed by the governor representing both metropolitan and greater Minnesota, two members who represent the interests of residents of small cities and...
rural areas with little retail base, one member who represents the interests of main street
retailers, and one member who represents the interests of online retailers.

Subd. 3. Working group duties. (a) The working group shall make recommendations
regarding lists and criteria that (1) are useful for local governments when making decisions
on whether a capital project is a candidate for being funded through a local sales tax, and
(2) provide the legislature with consistent standards for evaluating and approving the types
of projects funded with local sales taxes.

(b) At a minimum, the working group must:

(1) develop a list of specific types of capital projects that could be considered regionally
significant if they meet certain criteria, including a description of the project type and any
information necessary to determine the scope of one rather than multiple projects;

(2) develop a list of capital projects that will generally not be considered projects of
regional significance, either because the main purpose of the capital project is to serve the
needs of the resident population and would be constructed absent any use by persons outside
of the jurisdiction, or because the capital project is one provided by most local governments
and generally funded in other jurisdictions in the state through property taxes or other sources
of revenue other than a local sales tax; and

(3) for each type of capital project on the list developed under clause (1), develop
minimum criteria for local government to meet to ensure the project is considered regionally
significant. Criteria includes but is not limited to:

(i) documentation of some percentage of regular use of the facility by persons residing
outside of the local taxing district;

(ii) a joint powers or other facility sharing arrangement with surrounding jurisdictions;

(iii) documentation of the absence of any other facility within a specified distance that
could meet the same need; or

(iv) other information identified by the working group.

Measures of potential future economic or tourism development may not be used as the main
criteria for determining regional significance.

(c) The working group must develop statutory language necessary to effectuate the
group's recommendations. The recommendations must be included in the report under
subdivision 5.
Subd. 4. Administration. (a) Each appointing authority under subdivision 2 must make appointments and notify the commissioner of revenue by September 1, 2020.

(b) The commissioner of revenue or the commissioner's designee must convene the initial meeting of the working group no later than October 1, 2020. At the initial meeting, the members of the working group must elect a chair or cochairs from among the working group members.

(c) Upon request of the working group, the Department of Revenue must use existing resources to provide data, information, meeting space, and administrative services to the working group. The working group may also use nonpartisan legislative staff, and staff from any of the appointing authorities, except the governor's office, to provide information, drafting, and other support necessary to fulfill its duties.

(d) Members of the working group serve without compensation or payment of expenses.

Subd. 5. Report. By July 31, 2021, the working group must submit a report to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over local sales taxes. The report must contain at minimum:

(1) a recommended list of types of capital projects presumed to potentially meet a definition of regional significance for purposes of funding with a local sales tax;

(2) a recommended list of types of capital projects presumed not to meet a definition of regional significance for purposes of funding the project with a local sales tax;

(3) a recommended set of data and supporting documentation used to indicate the level of regional significance for each type of project listed in clause (1); and

(4) proposed language needed to incorporate the recommendations of clauses (1) to (3) into Minnesota Statutes.

Subd. 6. Expiration date. The working group under this section expires December 31, 2021, or upon submission of the report required under subdivision 5, whichever is earlier.

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

Sec. 9. WAIVER OF FEE FOR PAYMENT AGREEMENTS.

The commissioner of revenue may waive the required fee for entering into a payment agreement under Minnesota Statutes, section 270C.52, subdivision 2, paragraph (h). The commissioner's authority to waive the fee under this section expires on June 30, 2022.
66.1 **EFFECTIVE DATE.** This section is effective for payment agreements entered into after the date of final enactment and before July 1, 2022.

66.3 **Sec. 10. TAX EXPENDITURE STATEMENT OF PURPOSE.**

(a) In accordance with the requirements in Minnesota Statutes, section 3.192, the purpose and goals for the tax expenditures in this article are listed in this section.

(b) The purpose of the volunteer driver reimbursement subtraction established in article 3, section 4, the amendment adding Minnesota Statutes, section 290.0132, subdivision 32, is to encourage Minnesotans to volunteer as drivers for charitable organizations, and to treat for-profit and nonprofit driver reimbursements consistently.

(c) The purpose of the sales tax exemptions for local government facilities established in article 5, section 2, the amendment to Minnesota Statutes 2019 Supplement, section 297A.71, subdivision 52, is to reduce local government costs in providing public safety services.

(d) The purpose of the sales tax exemptions for properties destroyed or damaged by a fire established in article 5, section 3, the amendment adding Minnesota Statutes, section 297A.71, subdivision 53, is to provide emergency relief due to a fire.

**ARTICLE 7**

**DEPARTMENT OF REVENUE POLICY AND TECHNICAL: INCOME AND CORPORATE FRANCHISE TAXES**

Section 1. Minnesota Statutes 2019 Supplement, section 289A.08, subdivision 7, is amended to read:

Subd. 7. **Composite income tax returns for nonresident partners, shareholders, and beneficiaries.** (a) The commissioner may allow a partnership with nonresident partners to file a composite return and to pay the tax on behalf of nonresident partners who have no other Minnesota source income. This composite return must include the names, addresses, Social Security numbers, income allocation, and tax liability for the nonresident partners electing to be covered by the composite return.

(b) The computation of a partner's tax liability must be determined by multiplying the income allocated to that partner by the highest rate used to determine the tax liability for individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard deductions, or personal exemptions are not allowed.
(c) The partnership must submit a request to use this composite return filing method for nonresident partners. The requesting partnership must file a composite return in the form prescribed by the commissioner of revenue. The filing of a composite return is considered a request to use the composite return filing method.

(d) The electing partner must not have any Minnesota source income other than the income from the partnership and other electing partnerships. If it is determined that the electing partner has other Minnesota source income, the inclusion of the income and tax liability for that partner under this provision will not constitute a return to satisfy the requirements of subdivision 1. The tax paid for the individual as part of the composite return is allowed as a payment of the tax by the individual on the date on which the composite return payment was made. If the electing nonresident partner has no other Minnesota source income, filing of the composite return is a return for purposes of subdivision 1.

(e) This subdivision does not negate the requirement that an individual pay estimated tax if the individual's liability would exceed the requirements set forth in section 289A.25. The individual's liability to pay estimated tax is, however, satisfied when the partnership pays composite estimated tax in the manner prescribed in section 289A.25.

(f) If an electing partner's share of the partnership's gross income from Minnesota sources is less than the filing requirements for a nonresident under this subdivision, the tax liability is zero. However, a statement showing the partner's share of gross income must be included as part of the composite return.

(g) The election provided in this subdivision is only available to a partner who has no other Minnesota source income and who is either (1) a full-year nonresident individual or (2) a trust or estate that does not claim a deduction under either section 651 or 661 of the Internal Revenue Code.

(h) A corporation defined in section 290.9725 and its nonresident shareholders may make an election under this paragraph. The provisions covering the partnership apply to the corporation and the provisions applying to the partner apply to the shareholder.

(i) Estates and trusts distributing current income only and the nonresident individual beneficiaries of the estates or trusts may make an election under this paragraph. The provisions covering the partnership apply to the estate or trust. The provisions applying to the partner apply to the beneficiary.

(j) For the purposes of this subdivision, "income" means the partner's share of federal adjusted gross income from the partnership modified by the additions provided in section 290.0131, subdivisions 8 to 10 and 16, and 17, and the subtractions provided in: (1) section
290.0132, subdivision subdivisions 9, 27, and 28, to the extent the amount is assignable or allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the composite tax computation to the extent the electing partner would have been allowed the subtraction.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2015.

Sec. 2. Minnesota Statutes 2019 Supplement, section 290.0121, subdivision 3, is amended to read:

Subd. 3. **Inflation adjustment.** For taxable years beginning after December 31, 2019, the commissioner must adjust for inflation the exemption amount in subdivision 1, paragraph (a), clause (1), and the threshold amounts in subdivision 2, as provided in section 270C.22. The statutory year is taxable year 2019. The amounts as adjusted must be rounded down to the nearest $50 amount. If the amount ends in $25, the amount is rounded down to the nearest $50 amount. The threshold amount for married individuals filing separate returns must be one-half of the adjusted amount for married individuals filing joint returns.

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

Sec. 3. Minnesota Statutes 2019 Supplement, section 290.0122, subdivision 8, is amended to read:

Subd. 8. **Losses.** A taxpayer is allowed a deduction for losses. The deduction equals the amount allowed under sections 165(d) and section 165(a) of the Internal Revenue Code, including the limitation provided by section 67(b)(3) of the Internal Revenue Code, for the following:

(1) losses described in paragraph (2) or (3) of section 165(c) of the Internal Revenue Code, including the provisions of section 165(h) of the Internal Revenue Code, but disregarding the limitation on personal casualty losses in paragraph (h)(5); and

(2) losses described in section 165(d) of the Internal Revenue Code.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2018.
Sec. 4. Minnesota Statutes 2019 Supplement, section 290.191, subdivision 5, is amended to read:

Subd. 5. Determination of sales factor. For purposes of this section, the following rules apply in determining the sales factor:

(a) The sales factor includes all sales, gross earnings, or receipts received in the ordinary course of the business, except that the following types of income are not included in the sales factor:

(1) interest;

(2) dividends;

(3) sales of capital assets as defined in section 1221 of the Internal Revenue Code;

(4) sales of property used in the trade or business, except sales of leased property of a type which is regularly sold as well as leased; and

(5) sales of debt instruments as defined in section 1275(a)(1) of the Internal Revenue Code or sales of stock.

(6) receipts from trading options, futures contracts, forward contracts, foreign currency transactions, and notional principal contracts such as currency and equity swaps.

(b) Sales of tangible personal property are made within this state if the property is received by a purchaser at a point within this state, regardless of the f.o.b. point, other conditions of the sale, or the ultimate destination of the property.

(c) Tangible personal property delivered to a common or contract carrier or foreign vessel for delivery to a purchaser in another state or nation is a sale in that state or nation, regardless of f.o.b. point or other conditions of the sale.

(d) Notwithstanding paragraphs (b) and (c), when intoxicating liquor, wine, fermented malt beverages, cigarettes, or tobacco products are sold to a purchaser who is licensed by a state or political subdivision to resell this property only within the state of ultimate destination, the sale is made in that state.

(e) Sales made by or through a corporation that is qualified as a domestic international sales corporation under section 992 of the Internal Revenue Code are not considered to have been made within this state.

(f) Sales, rents, royalties, and other income in connection with real property is attributed to the state in which the property is located.
(g) Receipts from the lease or rental of tangible personal property, including finance
leases and true leases, must be attributed to this state if the property is located in this state
and to other states if the property is not located in this state. Receipts from the lease or rental
of moving property including, but not limited to, motor vehicles, rolling stock, aircraft,
vessels, or mobile equipment are included in the numerator of the receipts factor to the
extent that the property is used in this state. The extent of the use of moving property is
determined as follows:

(1) A motor vehicle is used wholly in the state in which it is registered.

(2) The extent that rolling stock is used in this state is determined by multiplying the
receipts from the lease or rental of the rolling stock by a fraction, the numerator of which
is the miles traveled within this state by the leased or rented rolling stock and the denominator
of which is the total miles traveled by the leased or rented rolling stock.

(3) The extent that an aircraft is used in this state is determined by multiplying the
receipts from the lease or rental of the aircraft by a fraction, the numerator of which is the
number of landings of the aircraft in this state and the denominator of which is the total
number of landings of the aircraft.

(4) The extent that a vessel, mobile equipment, or other mobile property is used in the
state is determined by multiplying the receipts from the lease or rental of the property by a
fraction, the numerator of which is the number of days during the taxable year the property
was in this state and the denominator of which is the total days in the taxable year.

(h) Royalties and other income received for the use of or for the privilege of using
intangible property, including patents, know-how, formulas, designs, processes, patterns,
copyrights, trade names, service names, franchises, licenses, contracts, customer lists, or
similar items, must be attributed to the state in which the property is used by the purchaser.
If the property is used in more than one state, the royalties or other income must be
apportioned to this state pro rata according to the portion of use in this state. If the portion
of use in this state cannot be determined, the royalties or other income must be excluded
from both the numerator and the denominator. Intangible property is used in this state if the
purchaser uses the intangible property or the rights therein in the regular course of its business
operations in this state, regardless of the location of the purchaser's customers.

(i) Sales of intangible property are made within the state in which the property is used
by the purchaser. If the property is used in more than one state, the sales must be apportioned
to this state pro rata according to the portion of use in this state. If the portion of use in this
state cannot be determined, the sale must be excluded from both the numerator and the
denominator of the sales factor. Intangible property is used in this state if the purchaser used the intangible property in the regular course of its business operations in this state.

(j) Receipts from the performance of services must be attributed to the state where the services are received. For the purposes of this section, receipts from the performance of services provided to a corporation, partnership, or trust may only be attributed to a state where it has a fixed place of doing business. If the state where the services are received is not readily determinable or is a state where the corporation, partnership, or trust receiving the service does not have a fixed place of doing business, the services shall be deemed to be received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be determined, the services shall be deemed to be received at the office of the customer to which the services are billed.

(k) For the purposes of this subdivision and subdivision 6, paragraph (l), receipts from management, distribution, or administrative services performed by a person or corporation for a fund of a person or corporation regulated under United States Code, title 15, chapter 2D, subchapter I, must be attributed to the state where the shareholder of the fund resides. Under this paragraph, receipts for services attributed to shareholders are determined on the basis of the ratio of: (1) the average of the outstanding shares in the fund owned by shareholders residing within Minnesota at the beginning and end of each year; and (2) the average of the total number of outstanding shares in the fund at the beginning and end of each year. Residence of the shareholder, in the case of an individual, is determined by the mailing address furnished by the shareholder to the fund. Residence of the shareholder, when the shares are held by an insurance company as a depositor for the insurance company policyholders, is the mailing address of the policyholders. In the case of an insurance company holding the shares as a depositor for the insurance company policyholders, if the mailing address of the policyholders cannot be determined by the taxpayer, the receipts must be excluded from both the numerator and denominator. Residence of other shareholders is the mailing address of the shareholder.

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

Sec. 5. Minnesota Statutes 2019 Supplement, section 290.92, subdivision 5, is amended to read:

Subd. 5. Exemptions Allowances. (a) An employee receiving wages shall on any day be entitled to claim withholding exemptions allowances in a number not to exceed the number of withholding exemptions allowances that the employee claims and...
that are allowable pursuant to section 3402(f)(1), (m), and (n) of the Internal Revenue Code for federal withholding purposes, except under paragraph (b), clause (1). Allowances must be computed in the form and manner prescribed by the commissioner.

(b) Allowances allowed equal:

(1) the allowances allowed under section 3402(f)(1) of the Internal Revenue Code, except:

(i) withholding allowances under section 3402(f)(1)(C) and (D) of the Internal Revenue Code are not allowed; and

(ii) the amount allowed for the standard deduction under section 3402(f)(1)(E) of the Internal Revenue Code is the amount allowed under section 290.0123;

(2) the amount allowed under section 290.0121;

(3) estimated itemized deductions allowable under section 290.0122, but only if the employee's spouse does not have in effect a withholding certificate electing this allowance; and

(4) any additional allowances, at the discretion of the commissioner, that are in the best interests of determining the proper amount to withhold for the payment of taxes under this chapter.

(i) the standard deduction amount for the purposes of section 3402(f)(1)(E) of the Internal Revenue Code shall be the amount calculated under section 290.0123, subdivision 1; and

(ii) the exemption amount for the purposes of section 3402(f)(1)(A) of the Internal Revenue Code shall be the amount calculated under section 290.0121, subdivision 1.

(2) Withholding exemption certificate. (c) The provisions concerning exemption certificates contained in section 3402(f)(2) and (3) of the Internal Revenue Code shall apply.

(3) Form of certificate. (d) Withholding exemption certificates shall be in such form and contain such information as the commissioner may by rule prescribe.

(e) An employer is not required to deduct and withhold tax under this chapter if an employee certifies that the employee will incur no tax liability under section 3402(n) of the Internal Revenue Code.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2019.
Sec. 6. Minnesota Statutes 2019 Supplement, section 290.993, is amended to read:

290.993 SPECIAL LIMITED ADJUSTMENT.

(a) For an individual income taxpayer subject to tax under section 290.06, subdivision 2c, estate, or trust, or a partnership that elects to file a composite return under section 289A.08, subdivision 7, for taxable years beginning after December 31, 2017, and before January 1, 2019, the following special rules apply:

(1) an individual income taxpayer may: (i) take the standard deduction; or (ii) make an election under section 63(e) of the Internal Revenue Code to itemize, for Minnesota individual income tax purposes, regardless of the choice made on their federal return; and

(2) there is an adjustment to tax equal to the difference between the tax calculated under this chapter using the Internal Revenue Code as amended through December 16, 2016, and the tax calculated under this chapter using the Internal Revenue Code amended through December 31, 2018, before the application of credits. The end result must be zero additional tax due or refund.

(b) The adjustment in paragraph (a), clause (2), does not apply to any changes due to sections 11012, 13101, 13201, 13202, 13203, 13204, 13205, 13207, 13301, 13302, 13303, 13313, 13350, 13353, 13801, 14101, 14102, 14211 through 14215, and 14501 of Public Law 115-97; and section 40411 of Public Law 115-123.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2017, and before January 1, 2019.

ARTICLE 8
DEPARTMENT OF REVENUE POLICY AND TECHNICAL: PROPERTY TAXES

Section 1. Minnesota Statutes 2018, section 270.41, subdivision 3a, is amended to read:

Subd. 3a. Report on disciplinary actions. Each odd numbered year, when issuing the report required under section 214.07, the board must publish a report detailing the number and types of disciplinary actions recommended by the commissioner of revenue under section 273.0645, subdivision 2, and the disposition of those recommendations by the board. The report must be presented to the house of representatives and senate committees with jurisdiction over property taxes by February 1 of each odd numbered year in addition to the recipients required under section 214.07.

EFFECTIVE DATE. This section is effective for reports issued in 2020 and thereafter.
Sec. 2. Minnesota Statutes 2018, section 272.029, subdivision 2, is amended to read:

Subd. 2. Definitions. (a) For the purposes of this section:

(1) "wind energy conversion system" has the meaning given in section 216C.06, subdivision 19, and also includes a substation that is used and owned by one or more wind energy conversion facilities;

(2) "large scale wind energy conversion system" means a wind energy conversion system of more than 12 megawatts, as measured by the nameplate capacity of the system or as combined with other systems as provided in paragraph (b);

(3) "medium scale wind energy conversion system" means a wind energy conversion system of over two and not more than 12 megawatts, as measured by the nameplate capacity of the system or as combined with other systems as provided in paragraph (b); and

(4) "small scale wind energy conversion system" means a wind energy conversion system of two megawatts and under, as measured by the nameplate capacity of the system or as combined with other systems as provided in paragraph (b).

(b) For systems installed and contracted for after January 1, 2002, the total size of a wind energy conversion system under this subdivision shall be determined according to this paragraph. Unless the systems are interconnected with different distribution systems, the nameplate capacity of one wind energy conversion system shall be combined with the nameplate capacity of any other wind energy conversion system that is:

(1) located within five miles of the wind energy conversion system;

(2) constructed within the same 12-month period as the wind energy conversion system;

and

(3) under common ownership.

In the case of a dispute, the commissioner of commerce shall determine the total size of the system, and shall draw all reasonable inferences in favor of combining the systems.

For the purposes of making a determination under this paragraph, the original construction date of an existing wind energy conversion system is not changed if the system is replaced, repaired, or otherwise maintained or altered.

(c) In making a determination under paragraph (b), the commissioner of commerce may determine that two wind energy conversion systems are under common ownership when the underlying ownership structure contains similar persons or entities, even if the ownership shares differ between the two systems. Wind energy conversion systems are not under
common ownership solely because the same person or entity provided equity financing for
the systems.

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

Sec. 3. Minnesota Statutes 2018, section 272.0295, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the term "solar energy
generating system" means a set of devices whose primary purpose is to produce electricity
by means of any combination of collecting, transferring, or converting solar generated
energy.

(b) The total size of a solar energy generating system under this subdivision shall be
determined according to this paragraph. Unless the systems are interconnected with different
distribution systems, the nameplate capacity of a solar energy generating system shall be
combined with the nameplate capacity of any other solar energy generating system that:

(1) is constructed within the same 12-month period as the solar energy generating system;
and

(2) exhibits characteristics of being a single development, including but not limited to
ownership structure, an umbrella sales arrangement, shared interconnection, revenue-sharing
arrangements, and common debt or equity financing.

In the case of a dispute, the commissioner of commerce shall determine the total size of the
system and shall draw all reasonable inferences in favor of combining the systems.

For the purposes of making a determination under this paragraph, the original construction
date of an existing solar energy conversion system is not changed if the system is replaced,
repaired, or otherwise maintained or altered.

(c) In making a determination under paragraph (b), the commissioner of commerce may
determine that two solar energy generating systems are under common ownership when the
underlying ownership structure contains similar persons or entities, even if the ownership
shares differ between the two systems. Solar energy generating systems are not under
common ownership solely because the same person or entity provided equity financing for
the systems.

**EFFECTIVE DATE.** This section is effective the day following final enactment.
Sec. 4. Minnesota Statutes 2018, section 272.0295, subdivision 5, is amended to read:

Subd. 5. Notification of tax. (a) On or before February 28, the commissioner of revenue shall notify the owner of each solar energy generating system of the tax due to each county for the current year and shall certify to the county auditor of each county in which the system is located the tax due from each owner for the current year.

(b) If the commissioner of revenue determines that the amount of production tax has been erroneously calculated, the commissioner may correct the error. The commissioner must notify the owner of the solar energy generating system of the correction and the amount of tax due to each county and must certify the correction to the county auditor of each county in which the system is located on or before April 1 of the current year. The commissioner may correct errors that are clerical in nature until December 31.

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

Sec. 5. Minnesota Statutes 2018, section 273.063, is amended to read:

273.063 APPLICATION; LIMITATIONS.

The provisions of sections 272.161, 273.061, 273.062, 273.063, 273.072, 273.08, 273.10, 274.01, and 375.192 shall apply to all counties except Ramsey County. The following limitations shall apply as to the extent of the county assessors jurisdiction:

In counties having a city of the first class, the powers and duties of the county assessor within such city shall be performed by the duly appointed city assessor. In all other cities having a population of 30,000 persons or more, according to the last preceding federal census, except in counties having a county assessor on January 1, 1967, the powers and duties of the county assessor within such cities shall be performed by the duly appointed city assessor, provided that the county assessor shall retain the supervisory duties contained in section 273.061, subdivision 8. For purposes of this section, "powers and duties" means the powers and duties identified in section 273.061, subdivision 8, clauses (5) to (16).

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

Sec. 6. Minnesota Statutes 2019 Supplement, section 273.0755, is amended to read:

273.0755 TRAINING AND EDUCATION OF PROPERTY TAX PERSONNEL.

(a) Beginning with the four-year period starting on July 1, 2000, every person licensed by the state Board of Assessors at the Accredited Minnesota Assessor level or higher, shall successfully complete a weeklong Minnesota laws course 30 hours of educational coursework on Minnesota laws, assessment administration, and administrative
procedures sponsored by the Department of Revenue at least once in every four-year period. An assessor need not attend the course if they successfully pass the test for the course.

(b) The commissioner of revenue may require that each county, and each city for which the city assessor performs the duties of county assessor, have (1) a person on the assessor's staff who is certified by the Department of Revenue in sales ratio calculations, (2) an officer or employee who is certified by the Department of Revenue in tax calculations, and (3) an officer or employee who is certified by the Department of Revenue in the proper preparation of information reported to the commissioner under section 270C.85, subdivision 2, clause (4). Certifications under this paragraph expire after four years.

(c) Beginning with the four-year educational licensing period starting on July 1, 2004, every Minnesota assessor licensed by the State Board of Assessors must attend and participate in a seminar that focuses on ethics, professional conduct and the need for standardized assessment practices developed and presented by the commissioner of revenue. This requirement must be met at least once in every subsequent four-year period. This requirement applies to all assessors licensed for one year or more in the four-year period.

(d) When the commissioner of revenue determines that an individual or board that performs functions related to property tax administration has performed those functions in a manner that is not uniform or equitable, the commissioner may require that the individual or members of the board complete supplemental training. The commissioner may not require that an individual complete more than 32 hours of supplemental training pursuant to this paragraph. If the individual is required to complete supplemental training due to that individual's membership on a local or county board of appeal and equalization, the commissioner may not require that the individual complete more than two hours of supplemental training.

EFFECTIVE DATE. This section is effective for the four-year licensing period starting on July 1, 2020, and thereafter.

Sec. 7. Minnesota Statutes 2019 Supplement, section 273.124, subdivision 14, is amended to read:

Subd. 14. Agricultural homesteads; special provisions. (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous on at least two sides to (i)
agricultural land, (ii) land owned or administered by the United States Fish and Wildlife
Service, or (iii) land administered by the Department of Natural Resources on which in lieu
taxes are paid under sections 477A.11 to 477A.14 or section 477A.17;

(2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20
acres;

(3) the noncontiguous land is located not farther than four townships or cities, or a
combination of townships or cities from the homestead; and

(4) the agricultural use value of the noncontiguous land and farm buildings is equal to
at least 50 percent of the market value of the house, garage, and one acre of land.

Homesteads initially classified as class 2a under the provisions of this paragraph shall
remain classified as class 2a, irrespective of subsequent changes in the use of adjoining
properties, as long as the homestead remains under the same ownership, the owner owns a
noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use
value qualifies under clause (4). Homestead classification under this paragraph is limited
to property that qualified under this paragraph for the 1998 assessment.

(b)(i) Agricultural property shall be classified as the owner's homestead, to the same
extent as other agricultural homestead property, if all of the following criteria are met:

(1) the agricultural property consists of at least 40 acres including undivided government
lots and correctional 40's;

(2) the owner, the owner's spouse, or a grandchild, child, sibling, or parent of the owner
or of the owner's spouse, is actively farming the agricultural property, either on the person's
own behalf as an individual or on behalf of a partnership operating a family farm, family
farm corporation, joint family farm venture, or limited liability company of which the person
is a partner, shareholder, or member;

(3) both the owner of the agricultural property and the person who is actively farming
the agricultural property under clause (2), are Minnesota residents;

(4) neither the owner nor the spouse of the owner claims another agricultural homestead
in Minnesota; and

(5) neither the owner nor the person actively farming the agricultural property lives
farther than four townships or cities, or a combination of four townships or cities, from the
agricultural property, except that if the owner or the owner's spouse is required to live in
employer-provided housing, the owner or owner's spouse, whichever is actively farming
the agricultural property, may live more than four townships or cities, or combination of
four townships or cities from the agricultural property.
The relationship under this paragraph may be either by blood or marriage.

(ii) Property containing the residence of an owner who owns qualified property under clause (i) shall be classified as part of the owner's agricultural homestead, if that property is also used for noncommercial storage or drying of agricultural crops.

(iii) As used in this paragraph, "agricultural property" means class 2a property and any class 2b property that is contiguous to and under the same ownership as the class 2a property.

(c) Noncontiguous land shall be included as part of a homestead under section 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached land is located in the same township or city, or not farther than four townships or cities or combination thereof from the homestead. Any taxpayer of these noncontiguous lands must notify the county assessor that the noncontiguous land is part of the taxpayer's homestead, and, if the homestead is located in another county, the taxpayer must also notify the assessor of the other county.

(d) Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified as a homestead under section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a.

(e) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of the April 1997 floods;

(2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or Wilkin;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1997 assessment year and continue to be used for agricultural purposes;

(4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles of one of the parcels of agricultural land that is owned by the taxpayer; and
(5) the owner notifies the county assessor that the relocation was due to the 1997 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in dwelling. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(f) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by a March 29, 1998, tornado;

(2) the property is located in the county of Blue Earth, Brown, Cottonwood, LeSueur, Nicollet, Nobles, or Rice;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1998 assessment year;

(4) the dwelling occupied by the owner is located in this state and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to a March 29, 1998, tornado, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the owner must notify the assessor by December 1, 1998. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(g) Agricultural property of a family farm corporation, joint family farm venture, family farm limited liability company, or partnership operating a family farm as described under subdivision 8 shall be classified homestead, to the same extent as other agricultural homestead property, if all of the following criteria are met:

(1) the property consists of at least 40 acres including undivided government lots and correctional 40's;

(2) a shareholder, member, or partner of that entity is actively farming the agricultural property;

(3) that shareholder, member, or partner who is actively farming the agricultural property is a Minnesota resident;
(4) neither that shareholder, member, or partner, nor the spouse of that shareholder, member, or partner claims another agricultural homestead in Minnesota; and

(5) that shareholder, member, or partner does not live farther than four townships or cities, or a combination of four townships or cities, from the agricultural property.

Homestead treatment applies under this paragraph even if:

(i) the shareholder, member, or partner of that entity is actively farming the agricultural property on the shareholder's, member's, or partner's own behalf; or

(ii) the family farm is operated by a family farm corporation, joint family farm venture, partnership, or limited liability company other than the family farm corporation, joint family farm venture, partnership, or limited liability company that owns the land, provided that:

(A) the shareholder, member, or partner of the family farm corporation, joint family farm venture, partnership, or limited liability company that owns the land who is actively farming the land is a shareholder, member, or partner of the family farm corporation, joint family farm venture, partnership, or limited liability company that is operating the farm; and

(B) more than half of the shareholders, members, or partners of each family farm corporation, joint family farm venture, partnership, or limited liability company are persons or spouses of persons who are a qualifying relative under section 273.124, subdivision 1, paragraphs (c) and (d).

Homestead treatment applies under this paragraph for property leased to a family farm corporation, joint farm venture, limited liability company, or partnership operating a family farm if legal title to the property is in the name of an individual who is a member, shareholder, or partner in the entity.

(h) To be eligible for the special agricultural homestead under this subdivision, an initial full application must be submitted to the county assessor where the property is located. Owners and the persons who are actively farming the property shall be required to complete only a one-page abbreviated version of the application in each subsequent year provided that none of the following items have changed since the initial application:

(1) the day-to-day operation, administration, and financial risks remain the same;

(2) the owners and the persons actively farming the property continue to live within the four townships or city criteria and are Minnesota residents;

(3) the same operator of the agricultural property is listed with the Farm Service Agency;
(4) a Schedule F or equivalent income tax form was filed for the most recent year;

(5) the property's acreage is unchanged; and

(6) none of the property's acres have been enrolled in a federal or state farm program since the initial application.

The owners and any persons who are actively farming the property must include the appropriate Social Security numbers, and sign and date the application. If any of the specified information has changed since the full application was filed, the owner must notify the assessor, and must complete a new application to determine if the property continues to qualify for the special agricultural homestead. The commissioner of revenue shall prepare a standard reapplication form for use by the assessors.

(i) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by the August 2007 floods;

(2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele, Wabasha, or Winona;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 2007 assessment year;

(4) the dwelling occupied by the owner is located in this state and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the August 2007 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the owner must notify the assessor by December 1, 2008. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(j) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of the March 2009 floods;
(2) the property is located in the county of Marshall;
(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 2008 assessment year and continue to be used for agricultural purposes;
(4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and
(5) the owner notifies the county assessor that the relocation was due to the 2009 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in dwelling. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

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

Sec. 8. Minnesota Statutes 2019 Supplement, section 273.18, is amended to read:

273.18 LISTING, VALUATION, AND ASSESSMENT OF EXEMPT PROPERTY BY COUNTY AUDITORS.

(a) In every sixth year after the year 2010, the county auditor shall enter the description of each tract of real property exempt by law from taxation, with the name of the owner, and the assessor shall value and assess the same in the same manner that other real property is valued and assessed, and shall designate in each case the purpose for which the property is used.

(b) The county auditor shall include in the exempt property information that the commissioner may require under section 270C.85, subdivision 2, clause (4), the total number of acres of all natural resources lands for which in lieu payments are made under sections 477A.11 to 477A.14 and 477A.17. The assessor shall estimate its market value, provided that if the assessor is not able to estimate the market value of the land on a per parcel basis, the assessor shall furnish the commissioner of revenue with an estimate of the average value per acre of this land within the county.

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

Sec. 9. Minnesota Statutes 2018, section 287.04, is amended to read:

287.04 EXEMPTIONS.

The tax imposed by section 287.035 does not apply to:
(a) (1) a decree of marriage dissolution or an instrument made pursuant to it;

(b) (2) a mortgage given to correct a misdescription of the mortgaged property;

(c) (3) a mortgage or other instrument that adds additional security for the same debt for which mortgage registry tax has been paid;

(d) (4) a contract for the conveyance of any interest in real property, including a contract for deed;

(e) (5) a mortgage secured by real property subject to the minerals production tax of sections 298.24 to 298.28;

(f) The principal amount of a mortgage loan made under a low and moderate income housing program, or other affordable housing program, if: (i) the mortgagee is a federal, state, or local government agency; or (ii) the assignee is a federal, state, or local government agency;

(g) (7) mortgages granted by fraternal benefit societies subject to section 64B.24;

(h) (8) a mortgage amendment or extension, as defined in section 287.01;

(i) (9) an agricultural mortgage if the proceeds of the loan secured by the mortgage are used to acquire or improve real property classified under section 273.13, subdivision 23, paragraph (a) or (b); and

(j) (10) a mortgage on an armory building as set forth in section 193.147.

EFFECTIVE DATE. This section is effective for mortgages recorded after July 31, 2020.

Sec. 10. Minnesota Statutes 2018, section 477A.10, is amended to read:

477A.10 NATURAL RESOURCES LAND PAYMENTS IN LIEU; PURPOSE. The purposes of sections 477A.11 to 477A.14 and 477A.17 are:

(1) to compensate local units of government for the loss of tax base from state ownership of land and the need to provide services for state land;

(2) to address the disproportionate impact of state land ownership on local units of government with a large proportion of state land; and

(3) to address the need to manage state lands held in trust for the local taxing districts.

EFFECTIVE DATE. This section is effective the day following final enactment.
ARTICLE 9
DEPARTMENT OF REVENUE POLICY AND TECHNICAL:
FIRE AND POLICE STATE AIDS

Section 1. Minnesota Statutes 2019 Supplement, section 6.495, subdivision 3, is amended to read:

Subd. 3. Report to commissioner of revenue. (a) On or before September 15, the state auditor shall must file with the commissioner of revenue a financial compliance report certifying for each relief association:

(1) the completion of the annual financial report required under section 424A.014 and the auditing or certification of those financial reports under subdivision 1; and

(2) the receipt of any actuarial valuations required under section 424A.093 or Laws 2013, chapter 111, article 5, sections 31 to 42.

(b) The state auditor must file with the commissioner of revenue reports as described in paragraph (a) on or before November 1, March 1, and June 1 certifying relief associations that have satisfied the criteria of paragraph (a) since the previously filed financial compliance report.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2021 and thereafter.

Sec. 2. Minnesota Statutes 2019 Supplement, section 297I.26, subdivision 2, is amended to read:

Subd. 2. Penalties. (a) A company that fails to file the report on or before the due date in subdivision 1 is liable for a penalty equal to $25 for each seven days, or fraction thereof, that the report is delinquent, but not to exceed $200.

(b) Any person whose duty it is to file the report and who fails or refuses to file within 30 days after the postmark of the notice in subdivision 1 must be fined an amount of no more than $1,000.

(c) Any company that knowingly makes and files an inaccurate or false report is liable for a fine in an amount not less than $25 nor more than $1,000, as determined by the commissioner, may be prosecuted under section 609.41, and the commissioner of commerce may revoke the company's certificate of authority.

EFFECTIVE DATE. This section is effective for reports required to be filed after December 31, 2020.
Sec. 3. Minnesota Statutes 2019 Supplement, section 477B.01, is amended by adding a subdivision to read:

Subd. 1a. **Apportionment agreement.** "Apportionment agreement" means an agreement between two or more fire departments that provide contracted fire protection service to the same municipality and establishes the percentage of the population and the percentage of the estimated market value within the municipality serviced by each fire department.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021 and thereafter.

Sec. 4. Minnesota Statutes 2019 Supplement, section 477B.01, subdivision 5, is amended to read:

Subd. 5. **Fire department.** (a) "Fire department" includes means:

1. A municipal fire department and;
2. An independent nonprofit firefighting corporation;
3. A fire department established as or operated by a joint powers entity; or
4. A fire protection special taxing district.

(b) This subdivision only applies to this chapter.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021 and thereafter.

Sec. 5. Minnesota Statutes 2019 Supplement, section 477B.01, is amended by adding a subdivision to read:

Subd. 6a. **Fire protection special taxing district.** "Fire protection special taxing district" means a special taxing district authorized by law or statute that provides fire protection services within the district and may exercise all the powers of the local governments that relate to fire protection within the district.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021 and thereafter.

Sec. 6. Minnesota Statutes 2019 Supplement, section 477B.01, is amended by adding a subdivision to read:

Subd. 7a. **Joint powers entity.** "Joint powers entity" means a joint powers entity under section 471.59.
Sec. 7. Minnesota Statutes 2019 Supplement, section 477B.01, subdivision 10, is amended to read:

Subd. 10. Municipality. (a) "Municipality" means:

(1) a home rule charter or statutory city;
(2) an organized town;
(3) a park district subject to chapter 398; a joint powers entity;
(4) the University of Minnesota a fire protection special taxing district; and or
(5) an American Indian tribal government entity located within a federally recognized American Indian reservation.

(b) This subdivision only applies to this chapter.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2021 and thereafter.

Sec. 8. Minnesota Statutes 2019 Supplement, section 477B.01, subdivision 11, is amended to read:

Subd. 11. Secretary. (a) "Secretary" means:

(1) the secretary of an independent nonprofit firefighting corporation that has a subsidiary incorporated firefighters' relief association or whose firefighters participate in the voluntary statewide volunteer firefighter retirement plan; or
(2) the secretary of a joint powers entity or fire protection special taxing district or, if there is no such person, the person primarily responsible for managing the finances of a joint powers entity or fire protection special taxing district.

(b) This subdivision only applies to this chapter.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2021 and thereafter.
Sec. 9. Minnesota Statutes 2019 Supplement, section 477B.02, subdivision 2, is amended to read:

Subd. 2. Establishment of fire department. (a) An independent nonprofit firefighting corporation must be created under the nonprofit corporation act of this state operating for the exclusive purpose of firefighting, or the governing body of a municipality must officially establish a fire department.

(b) The fire department must have provided firefighting services for at least one calendar year, and must have a current fire department identification number issued by the state fire marshal.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2021 and thereafter.

Sec. 10. Minnesota Statutes 2019 Supplement, section 477B.02, subdivision 3, is amended to read:

Subd. 3. Personnel and Benefits requirements. (a) A fire department must have a minimum of ten paid or volunteer firefighters, including a fire chief and assistant fire chief.

(b) The fire department must have regular scheduled meetings and frequent drills that include instructions in firefighting tactics and in the use, care, and operation of all fire apparatus and equipment.

(c) (a) The fire department must have a separate subsidiary incorporated firefighters' relief association that provides retirement benefits or must participate in the voluntary statewide volunteer firefighter retirement plan; or if the municipality solely employs full-time firefighters as defined in section 299N.03, subdivision 5, retirement coverage must be provided by the public employees police and fire retirement plan. For purposes of retirement benefits, a fire department may be associated with only one volunteer firefighters' relief association or one account in the voluntary statewide volunteer firefighter retirement plan at one time.

(d) (b) Notwithstanding paragraph (c) (a), a municipality without a relief association as described under section 424A.08, paragraph (a), may still qualify to receive fire state aid if all other requirements of this section are met.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2021 and thereafter.
Sec. 11. Minnesota Statutes 2019 Supplement, section 477B.02, is amended by adding a subdivision to read:

Subd. 4a. **Public safety answering point requirement.** The fire department must be dispatched by a public safety answering point as defined in section 403.02, subdivision 19.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021 and thereafter.

Sec. 12. Minnesota Statutes 2019 Supplement, section 477B.02, subdivision 5, is amended to read:

Subd. 5. **Fire service contract or agreement; apportionment agreement filing requirement.** (a) Every municipality or independent nonprofit firefighting corporation must file a copy of any duly executed and valid fire service contract or agreement with the commissioner. A written notification of contract termination must be filed with the commissioner when a fire service contract is terminated.

(b) If more than one fire department provides service to a municipality, the fire departments furnishing service must enter into an agreement apportioning among themselves the percentage of the population and the percentage of the estimated market value of each shared service fire department service area. The agreement must be in writing and must be filed an apportionment agreement with the commissioner.

(c) When a municipality is a joint powers entity, it must file its joint powers agreement with the commissioner. If the joint powers agreement does not include sufficient information defining the fire department service area of the joint powers entity for the purposes of calculating fire state aid, the secretary must file a written statement with the commissioner defining the fire department service area.

(d) When a municipality is a fire protection special taxing district, it must file its resolution establishing the fire protection special taxing district, and any agreements required for the establishment of the fire protection special taxing district, with the commissioner. If the resolution or agreement does not include sufficient information defining the fire department service area of the fire protection special taxing district, the secretary must file a written statement with the commissioner defining the fire department service area.

(e) The commissioner shall prescribe the format, manner, and time of filing of a written notification of contract termination, an apportionment agreement, a joint powers agreement, a resolution, or a written statement under paragraphs (a) to (d).
(f) A document filed with the commissioner under this subdivision must be refiled any
time it is updated. An apportionment agreement must be refiled only when a change in the
averaged sum of the percentage of population and percentage of estimated market value
serviced by a fire department subject to the apportionment agreement is at least one percent.
The percentage amount must be rounded to the nearest whole percentage.

(g) Upon the request of the commissioner, the county auditor must provide information
that the commissioner requires to accurately apportion the estimated market value of a fire
department service area for a fire department providing service to an unorganized territory
located in the county.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2021
and thereafter.

Sec. 13. Minnesota Statutes 2019 Supplement, section 477B.02, subdivision 8, is amended
to read:

Subd. 8. PERA certification to commissioner. On or before February 1 each year, if
retirement coverage for a fire department is provided by the voluntary statewide volunteer
firefighter retirement plan, the executive director of the Public Employees Retirement
Association must certify the existence of retirement coverage to the commissioner the fire
departments that transferred retirement coverage to, or terminated participation in, the
voluntary statewide volunteer firefighter retirement plan since the previous certification
under this paragraph.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2021
and thereafter.

Sec. 14. Minnesota Statutes 2019 Supplement, section 477B.02, subdivision 9, is amended
to read:

Subd. 9. Fire department certification to commissioner. On or before March 15 of
each year, the municipal clerk or the secretary, and the fire chief, must jointly certify to the
commissioner that the fire department exists and meets the qualification requirements of
this section the fire department service area as of December 31 of the previous year, and
that the fire department meets the qualification requirements of this section. The fire
department must provide the commissioner with documentation that the commissioner
deems necessary for determining eligibility for fire state aid or for calculating and
apportioning fire state aid under section 477B.03. The certification must be on a form
prescribed by the commissioner and must include all other information that the commissioner
requires. The municipal clerk or the secretary must send a copy of the certification filed
under this subdivision to the fire chief within five business days of the date the certification
was filed with the commissioner.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2021
and thereafter.

Sec. 15. Minnesota Statutes 2019 Supplement, section 477B.02, subdivision 10, is amended
to read:

Subd. 10. Penalty for failure to file or correct certification. (a) If the certification
under subdivision 9 is not filed with the commissioner on or before March 15, the
commissioner must notify the municipal clerk or the secretary that a penalty equal to a
portion or all of the current year aid will apply if the certification is not received within ten
days of the postmark date of the notification will be deducted from fire state aid certified
for the current year if the certification is not filed on or before March 15.

(b) If the commissioner rejects the certification by the municipal clerk or secretary under
subdivision 9 for inaccurate or incomplete information, the municipal clerk or the secretary
must file a corrective certification after taking corrective action as identified by the
commissioner in the notice of rejection. The corrective certification must be filed within
30 days of the date on the notice of rejection.

(b) (c) A penalty applies to (1) a certification under subdivision 9 filed after March 15
and (2) a corrective certification under paragraph (b) filed after March 15 that is also filed
more than 30 days after the date on the notice of rejection. The penalty for failure to file
the certification under subdivision 9 is equal to the amount of fire state aid determined for
the municipality or the independent nonprofit firefighting corporation for the current year,
multiplied by five percent for each week or fraction of a week that the certification or
corrective certification is late filed after March 15. The penalty must be computed beginning
ten days after the postmark date of the commissioner’s notification. Aid amounts forfeited
as a result of the penalty revert to the state general fund. Failure to receive the certification
form is not a defense for a failure to file.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2021
and thereafter.
Sec. 16. Minnesota Statutes 2019 Supplement, section 477B.03, subdivision 3, is amended to read:

Subd. 3. Population and estimated market value. (a) Official statewide federal census figures Population estimates made by the state demographer pursuant to section 4A.02, paragraph (d), must be used in calculations requiring the use of population figures under this chapter. Increases or decreases in population disclosed by reason of any special census must not be taken into consideration.

(b) The latest available estimated market value property figures must be used in calculations requiring the use of estimated market value property figures under this chapter.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2021 and thereafter.

Sec. 17. Minnesota Statutes 2019 Supplement, section 477B.03, subdivision 4, is amended to read:

Subd. 4. Initial fire state aid allocation amount. (a) The initial fire state aid allocation amount is the amount available for apportionment as fire state aid under subdivision 2, without the inclusion of any additional funding amount to support a minimum fire state aid amount under section 423A.02, subdivision 3. The initial fire state aid allocation amount is allocated one-half in proportion to the population for each fire department service area and one-half in proportion to the estimated market value of each fire department service area, including (1) the estimated market value of tax-exempt property, and (2) the estimated market value of natural resources lands receiving in lieu payments under sections 477A.11 to 477A.14 and 477A.17. The estimated market value of minerals is excluded.

(b) In the case of a municipality or independent nonprofit firefighting corporation furnishing fire protection to other municipalities as evidenced by valid fire service contracts, joint powers agreements, resolutions, and other supporting documents filed with the commissioner under section 477B.02, subdivision 5, the distribution must be adjusted proportionately to take into consideration the crossover fire protection service. Necessary adjustments must be made to subsequent apportionments.

(c) In the case of municipalities or independent nonprofit firefighting corporations qualifying for aid, the commissioner must calculate the state aid for the municipality or independent nonprofit firefighting corporation on the basis of the population and the estimated market value of the area furnished fire protection service by the fire department as evidenced
by valid fire service agreements, contracts, joint powers agreements, resolutions, and other
supporting documents filed with the commissioner under section 477B.02, subdivision 5.

(d) In the case of more than one fire department furnishing contracted fire service to a
municipality, the population and estimated market value in the apportionment agreement
filed with the commissioner under section 477B.02, subdivision 5, must be used in calculating
the state aid.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2021
and thereafter.

Sec. 18. Minnesota Statutes 2019 Supplement, section 477B.03, subdivision 7, is amended
to read:

Subd. 7. Appeal. A municipality, an independent nonprofit firefighting corporation, a
fire relief association, or the voluntary statewide volunteer firefighter retirement plan may
object to the amount of fire state aid apportioned to it by filing a written request with the
commissioner to review and adjust the apportionment of funds within the state. The objection
of a municipality, an independent nonprofit firefighting corporation, a fire relief association,
or the voluntary statewide volunteer firefighter retirement plan must be filed with the
commissioner within 60 days of the date the amount of apportioned fire state aid is paid.
The decision of the commissioner is subject to appeal, review, and adjustment by the district
court in the county in which the applicable municipality or independent nonprofit firefighting
corporation is located or by the Ramsey County District Court with respect to the voluntary
statewide volunteer firefighter retirement plan.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2021
and thereafter.

Sec. 19. Minnesota Statutes 2019 Supplement, section 477B.04, subdivision 1, is amended
to read:

Subdivision 1. Payments. (a) The commissioner must make payments to the Public
Employees Retirement Association for deposit in the voluntary statewide volunteer firefighter
retirement fund on behalf of a municipality or independent nonprofit firefighting corporation
that is a member of the voluntary statewide volunteer firefighter retirement plan under
chapter 353G, or directly to a municipality or county designated by an independent nonprofit
firefighting corporation. The commissioner must directly pay all other municipalities
qualifying for fire state aid, except as provided in paragraph (d). The payment is equal to
the amount of fire state aid apportioned to the applicable fire state aid recipient under section 477B.03.

(b) Fire state aid is payable on October 1 annually. The amount of state aid due and not paid by October 1 accrues interest payable to the recipient at the rate of one percent for each month or part of a month that the amount remains unpaid after October 1.

(c) In the event of noncompliance with sections 424A.014 and 477B.02, subdivision 7, the amount of fire state aid apportioned to a municipality or independent nonprofit firefighting corporation under section 477B.03 must be withheld from payment to the Public Employees Retirement Association or the municipality. The commissioner of revenue must issue a withheld payment within ten business days of receipt of a financial compliance report under section 6.495, subdivision 3, certifying that the municipality or independent nonprofit firefighting corporation has fulfilled the requirements of sections 424A.014 and 477B.02, subdivision 7. The interest under paragraph (b) does not apply when a payment has not been made by October 1 due to noncompliance with sections 424A.014 and 477B.02, subdivision 7 withheld under this paragraph.

(d) A joint powers entity must designate the city or town to be paid fire state aid on its behalf in the first year the joint powers entity qualifies for fire state aid. An independent nonprofit firefighting corporation must designate the city or town within its fire department service area to be paid fire state aid on its behalf in the first year the independent nonprofit firefighting corporation qualifies for fire state aid. If there is no city or town within the fire department service area of an independent nonprofit firefighting corporation, fire state aid must be paid to the county where the independent nonprofit firefighting corporation is located. A local government payment designation under this paragraph must be in writing in the form and manner and at the time prescribed by the commissioner.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2021 and thereafter.

Sec. 20. Minnesota Statutes 2019 Supplement, section 477B.04, is amended by adding a subdivision to read:

Subd. 4. Aid amount corrections. (a) An adjustment needed to correct a fire state aid overpayment or underpayment due to a clerical error must be made to subsequent fire state aid payments as provided in paragraphs (b) and (c). The authority to correct an aid payment under this subdivision is limited to three years after the payment was issued.
(b) If the adjustment equals more than ten percent of the most recently paid aid amount, the commissioner must reduce the aid a municipality or independent nonprofit firefighting corporation is to receive by the amount overpaid over a period of no more than three years. If the adjustment equals or is less than ten percent of the most recently paid aid amount, the commissioner must reduce the next aid payment occurring in 30 days or more by the amount overpaid.

(c) In the event of an underpayment, the commissioner must distribute the amount of underpaid funds to the municipality or independent nonprofit firefighting corporation over a period of no more than three years. An additional distribution to a municipality or independent nonprofit firefighting corporation must be paid from the general fund and must not diminish the payments made to other municipalities or independent nonprofit firefighting corporations under this chapter.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021 and thereafter.

Sec. 21. Minnesota Statutes 2019 Supplement, section 477C.02, subdivision 4, is amended to read:

Subd. 4. **Penalty for failure to file or correct certification.** (a) If a certification under subdivision 1 or 2 is not filed with the commissioner on or before March 15, the commissioner must notify the municipal clerk, municipal clerk-treasurer, or county auditor that a penalty equal to a portion or all of its current year aid will apply if the certification is not received within ten days will be deducted from police state aid certified for the current year if the certification is not filed on or before March 15.

(b) If the commissioner rejects the certification under subdivision 1 or 2 for inaccurate or incomplete information, the municipal clerk, municipal clerk-treasurer, or county auditor must file a corrective certification after taking corrective action as identified by the commissioner in the notice of rejection. The corrective certification must be filed within 30 days of the date on the notice of rejection.

(b) (c) A penalty applies to (1) a certification under subdivisions 1 and 2 filed after March 15 and (2) a corrective certification under paragraph (b) filed after March 15 that is also filed more than 30 days after the date on the notice of rejection. The penalty for failure to file the certification under subdivision 1 or 2 is equal to the amount of police state aid determined for the municipality for the current year, multiplied by five percent for each week or fraction of a week that the certification or corrective certification is late filed after March 15. The penalty must be computed beginning ten days after the postmark date of the
commissioner's notification as required under this subdivision. All aid amounts forfeited
as a result of the penalty revert to the state general fund. Failure to receive the certification
form may not be used as a defense for a failure to file.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021
and thereafter.

Sec. 22. Minnesota Statutes 2019 Supplement, section 477C.03, subdivision 2, is amended
to read:

Subd. 2. **Apportionment of police state aid.** (a) The total amount available for
apportionment as police state aid is equal to 104 percent of the amount of premium taxes
paid to the state on the premiums reported to the commissioner by companies or insurance
companies on the Minnesota Aid to Police Premium Report. The total amount for
apportionment for the police state aid program must not be less than two percent of the
amount of premiums reported to the commissioner by companies or insurance companies
on the Minnesota Aid to Police Premium Report.

(b) The commissioner must calculate the percentage of increase or decrease reflected in
the apportionment over or under the previous year's available state aid using the same
premiums as a basis for comparison.

(c) In addition to the amount for apportionment of police state aid under paragraph (a),
each year $100,000 must be apportioned for police state aid. An amount sufficient to pay
this increase is annually appropriated from the general fund.

(d) The commissioner must apportion police state aid to all municipalities in proportion
to the relationship that the total number of peace officers employed by that municipality for
the prior calendar year and the proportional or fractional number who were employed less
than a calendar year as credited under section 477C.02, subdivision 1, paragraph (c), bears
to the total number of peace officers employed by all municipalities subject to any reduction
under subdivision 3.

(e) Any necessary additional adjustments must be made to subsequent police state aid
apportionments.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021
and thereafter.
Sec. 23. Minnesota Statutes 2019 Supplement, section 477C.03, subdivision 5, is amended to read:

Subd. 5. Appeal. A municipality may object to the amount of police state aid apportioned to it by filing a written request with the commissioner to review and adjust the apportionment of funds to the municipality. The objection of a municipality must be filed with the commissioner within 60 days of the date the amount of apportioned police state aid is paid. The decision of the commissioner is subject to appeal, review, and adjustment by the district court in the county in which the applicable municipality is located or by the Ramsey County District Court with respect to the Departments of Natural Resources or Public Safety.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2021 and thereafter.

Sec. 24. Minnesota Statutes 2019 Supplement, section 477C.04, is amended by adding a subdivision to read:

Subd. 4. Aid amount corrections. (a) An adjustment needed to correct a police state aid overpayment or underpayment due to a clerical error must be made to subsequent police state aid payments as provided in paragraphs (b) and (c). The authority to correct an aid payment under this subdivision is limited to three years after the payment was issued.

(b) If the adjustment equals more than ten percent of the most recently paid aid amount, the commissioner must reduce the aid a municipality is to receive by the amount overpaid over a period of no more than three years. If the adjustment equals or is less than ten percent of the most recently paid aid amount, the commissioner must reduce the next aid payment occurring in 30 days or more by the amount overpaid.

(c) In the event of an underpayment, the commissioner must distribute the amount of underpaid funds to the municipality over a period of no more than three years. An additional distribution to a municipality must be paid from the general fund and must not diminish the payments made to other municipalities under this chapter.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2021 and thereafter.

Sec. 25. REPEALER.

Minnesota Statutes 2019 Supplement, sections 477B.02, subdivision 4; and 477B.03, subdivision 6, are repealed.
EFFECTIVE DATE. This section is effective for aids payable in calendar year 2021 and thereafter.

ARTICLE 10
DEPARTMENT OF REVENUE POLICY AND TECHNICAL:
MISCELLANEOUS

Section 1. Minnesota Statutes 2019 Supplement, section 270C.22, subdivision 1, is amended to read:

Subdivision 1. Adjustment; definition; period; rounding. (a) The commissioner shall annually make a cost of living adjustment to the dollar amounts noted in sections that reference this section. The commissioner shall adjust the amounts based on the index as provided in this section. For purposes of this section, "index" means the Chained Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics. The values of the index used to determine the adjustments under this section are the latest published values when the Bureau of Labor Statistics publishes the initial value of the index for August of the year preceding the year to which the adjustment applies.

(b) For the purposes of this section, "statutory year" means the year preceding the first year for which dollar amounts are to be adjusted for inflation under sections that reference this section. For adjustments under chapter 290A, the statutory year refers to the year in which a taxpayer's household income used to calculate refunds under chapter 290A was earned and not the year in which refunds are payable. For all other adjustments, the statutory year refers to the taxable year unless otherwise specified.

(c) To determine the dollar amounts for taxable year 2020, the commissioner shall determine the percentage change in the index for the 12-month period ending on August 31, 2019, and increase each of the unrounded dollar amounts in the sections referencing this section by that percentage change. For each subsequent taxable year, the commissioner shall increase the dollar amounts by the percentage change in the index from August 31 of the year preceding the statutory year to August 31 of the year preceding the taxable year.

(d) To determine the dollar amounts for refunds payable in 2020 under chapter 290A, the commissioner shall determine the percentage change in the index for the 12-month period ending on August 31, 2019, and increase each of the unrounded dollar amounts in the sections referencing this section by that percentage change. For each subsequent year, the commissioner shall increase the dollar amounts by the percentage change in the index from August 31 of the year preceding the statutory year to August 31 of the year preceding the year in which refunds are payable.
Unless otherwise provided, the commissioner shall round the amounts as adjusted to the nearest $10 amount. If an amount ends in $5, the amount is rounded up to the nearest $10 amount.

EFFECTIVE DATE. This section is effective for property tax refunds based on property taxes payable in 2020, and rent paid in 2019.

Sec. 2. Minnesota Statutes 2018, section 270C.445, subdivision 3, is amended to read:

Subd. 3. Standards of conduct. No tax preparer shall:

(1) without good cause fail to promptly, diligently, and without unreasonable delay complete a client's return;

(2) obtain the signature of a client to a return or authorizing document that contains blank spaces to be filled in after it has been signed;

(3) fail to sign a client's return when compensation for services rendered has been made;

(4) fail to provide on a client's return the preparer tax identification number when required under section 6109(a)(4) of the Internal Revenue Code or section 289A.60, subdivision 28;

(5) fail or refuse to give a client a copy of any document requiring the client's signature within a reasonable time after the client signs the document;

(6) fail to retain for at least four years a copy of a client's returns;

(7) fail to maintain a confidential relationship with clients or former clients;

(8) fail to take commercially reasonable measures to safeguard a client's nonpublic personal information;

(9) make, authorize, publish, disseminate, circulate, or cause to make, either directly or indirectly, any false, deceptive, or misleading statement or representation relating to or in connection with the offering or provision of tax preparation services;

(10) require a client to enter into a loan arrangement in order to complete a client's return;

(11) claim credits or deductions on a client's return for which the tax preparer knows or reasonably should know the client does not qualify;

(12) report a household income on a client's claim filed under chapter 290A that the tax preparer knows or reasonably should know is not accurate;

(13) engage in any conduct that is subject to a penalty under section 289A.60, subdivision 13, 20, 20a, 26, or 28;
(14) whether or not acting as a taxpayer representative, fail to conform to the standards of conduct required by Minnesota Rules, part 8052.0300, subpart 4;

(15) whether or not acting as a taxpayer representative, engage in any conduct that is incompetent conduct under Minnesota Rules, part 8052.0300, subpart 5;

(16) whether or not acting as a taxpayer representative, engage in any conduct that is disreputable conduct under Minnesota Rules, part 8052.0300, subpart 6;

(17) charge, offer to accept, or accept a fee based upon a percentage of an anticipated refund for tax preparation services;

(18) under any circumstances, withhold or fail to return to a client a document provided by the client for use in preparing the client's return;

(19) establish take control or ownership of a client's refund by any means, including:

(i) directly or indirectly endorsing or otherwise negotiating a check or other refund instrument, including an electronic version of a check;

(ii) directing an electronic or direct deposit of the refund into an account unless the client's name is on the account; and

(iii) establishing or using an account in the preparer's name to receive a client's refund through a direct deposit or any other instrument unless the client's name is also on the account, except that a taxpayer may assign the portion of a refund representing the Minnesota education credit available under section 290.0674 to a bank account without the client's name, as provided under section 290.0679;

(20) fail to act in the best interests of the client;

(21) fail to safeguard and account for any money handled for the client;

(22) fail to disclose all material facts of which the preparer has knowledge which might reasonably affect the client's rights and interests;

(23) violate any provision of section 332.37;

(24) include any of the following in any document provided or signed in connection with the provision of tax preparation services:

(i) a hold harmless clause;

(ii) a confession of judgment or a power of attorney to confess judgment against the client or appear as the client in any judicial proceeding;
(iii) a waiver of the right to a jury trial, if applicable, in any action brought by or against a debtor;
(iv) an assignment of or an order for payment of wages or other compensation for services;
(v) a provision in which the client agrees not to assert any claim or defense otherwise available;
(vi) a waiver of any provision of this section or a release of any obligation required to be performed on the part of the tax preparer; or
(vii) a waiver of the right to injunctive, declaratory, or other equitable relief or relief on a class basis; or

(25) if making, providing, or facilitating a refund anticipation loan, fail to provide all disclosures required by the federal Truth in Lending Act, United States Code, title 15, in a form that may be retained by the client.

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

Sec. 3. Minnesota Statutes 2019 Supplement, section 289A.20, subdivision 4, is amended to read:

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

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

(1) Two business days before June 30 of calendar year 2020 and 2021, the vendor must remit 87.5 percent of the estimated June liability to the commissioner. Two business days before June 30 of calendar year 2022 and thereafter, the vendor must remit 84.5 percent of the estimated June liability to the commissioner.

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

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

(2) $250,000 or more, during a fiscal year ending June 30, 2013, and fiscal years thereafter, must remit by electronic means all liabilities in the manner provided in paragraph (a) on returns due for periods beginning in the subsequent calendar year, except for 90 percent of the estimated June liability, as provided in paragraph (b), clause (1), which is due two business days before June 30. The remaining amount of the June liability is due on August 20.

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

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

Sec. 4. Minnesota Statutes 2018, section 295.75, subdivision 2, is amended to read:

**Subd. 2. Gross receipts tax imposed.** A tax is imposed on each liquor retailer equal to 2.5 percent of gross receipts from retail sales in Minnesota of liquor. The liquor retailer may, but is not required to, collect the tax from the purchaser. If separately stated on the invoice, bill of sale, or similar document given to the purchaser, the tax is excluded from the sales price for purposes of the tax imposed under Minnesota Statutes, chapter 297A.

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

Sec. 5. Minnesota Statutes 2019 Supplement, section 296A.06, subdivision 2, is amended to read:

**Subd. 2. Suspension of license.** (a) Notwithstanding subdivision 1, the license of a distributor, special fuel dealer, or bulk purchaser that has not filed a tax return or report or paid a delinquent tax or fee within five days after notice and demand by the commissioner...
is suspended. The suspension remains in effect until the demanded tax return or report has
been filed and the tax and fees shown on that return or report have been paid. If the
commissioner determines that the failure to file or failure to pay is due to reasonable cause,
then a license must not be suspended, or if suspended, must be reinstated.

(b) A licensee whose license is suspended under this subdivision may request a contested
case hearing under chapter 14. Any such hearing must be held within 20 days of the issuance
of the notice and demand issued under paragraph (a), unless the parties agree to a later
hearing date. The administrative law judge's report must be issued within 20 days after the
close of the hearing record, unless the parties agree to a later report issuance date. The
commissioner must issue a final decision within 30 days after receipt of the report of the
administrative law judge and subsequent exceptions and argument under section 14.61. The
suspension imposed under paragraph (a) remains in effect during any contested case hearing
process requested pursuant to this paragraph.

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

Sec. 6. Minnesota Statutes 2019 Supplement, section 297A.66, subdivision 3, is amended
to read:

Subd. 3. Marketplace provider liability. (a) A marketplace provider is deemed the
retailer or seller for all retail sales it facilitates, and is subject to audit on the retail sales it
facilitates if it is required to collect sales and use taxes and remit them to the commissioner
under subdivision 2, paragraphs (b) and (c).

(b) A marketplace provider is not liable for failing to file, collect, and remit sales and
use taxes to the commissioner if the marketplace provider demonstrates that the error was
due to incorrect or insufficient information given to the marketplace provider by the retailer.
This paragraph does not apply if the marketplace provider and the marketplace retailer are
related as defined in subdivision 4, paragraph (b).

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

Sec. 7. Minnesota Statutes 2018, section 297F.04, subdivision 2, is amended to read:

Subd. 2. Refusal to issue or renew; revocation. The commissioner must not issue or
renew a license under this chapter, and may revoke a license under this chapter, if the
applicant or licensee:

(1) owes $500 or more in delinquent taxes as defined in section 270C.72, subdivision
2;
(2) after demand, has not filed tax returns required by the commissioner;

(3) had a cigarette or tobacco license revoked by the commissioner within the past two years;

(4) had a sales and use tax permit revoked by the commissioner within the past two years; or

(5) has been convicted of a crime involving cigarettes or tobacco products, including but not limited to: selling stolen cigarettes or tobacco products, receiving stolen cigarettes or tobacco products, or involvement in the smuggling of cigarettes or tobacco products.

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

Sec. 8. Minnesota Statutes 2019 Supplement, section 297F.09, subdivision 10, is amended to read:

Subd. 10. Accelerated tax payment; cigarette or tobacco products distributor. A cigarette or tobacco products distributor 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 years 2020 and 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 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 the lesser of:

(1) for calendar year 2020, the lesser of 87.5 percent of the actual June liability for the calendar year 2020 and 2021 June liabilities and 84.5 of the actual June liability for June 2022 and thereafter or 87.5 percent of the preceding May liability; or
(2) for calendar year 2021, the lesser of 87.5 percent of the actual June liability or 87.5 percent of the preceding May liability for the calendar year 2020 and 2021 June liabilities and 84.5 percent of the preceding May liability for June 2022 and thereafter; or

(3) for calendar year 2022 and thereafter, the percent of the estimated lesser of 84.5 percent of the actual June liability the vendor must remit by two business days before June 30 is for that year or 84.5 percent of the preceding May liability.

**EFFECTIVE DATE.** This section is effective for estimated payments required to be made after the date of final enactment.

Sec. 9. Minnesota Statutes 2018, section 297F.17, subdivision 1, is amended to read:

Subdivision 1. **General rule.** Except as otherwise provided in this chapter, the amount of any tax due must be assessed within 3-1/2 years after a return is filed. The taxes are considered assessed within the meaning of this section when the commissioner has prepared a notice of tax assessment and mailed it to the person required to file a return to the post office address given in the return. The notice of tax assessment must be sent by mail to the post office address given in the return and the record of the mailing is presumptive evidence of the giving of such notice, and such records must be preserved by the commissioner.

**EFFECTIVE DATE.** This section is effective for notices of tax assessment issued after the date of final enactment.

Sec. 10. Minnesota Statutes 2019 Supplement, section 297G.09, subdivision 9, is amended to read:

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 years 2020 and 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 the lesser of:

106.4 (1) for calendar year 2020, the lesser of 87.5 percent of the actual June liability for the calendar year 2020 and 2021 June liabilities and 84.5 percent of the actual June liability for June 2022 and thereafter or 87.5 percent of the preceding May liability; or

106.7 (2) for calendar year 2021, the lesser of 87.5 percent of the actual June liability or 87.5 percent of the preceding May liability for the calendar year 2020 and 2021 June liabilities and 84.5 percent of the preceding May liability for June 2022 and thereafter.

106.10 (3) for calendar year 2022 and thereafter, the percent of the estimated lesser of 84.5 percent of the actual June liability the vendor must remit by two business days before June 30 is for that year or 84.5 percent of the preceding May liability.

106.13 EFFECTIVE DATE. This section is effective for estimated payments required to be made after the date of final enactment.

106.15 Sec. 11. Minnesota Statutes 2018, section 609B.153, is amended to read:

609B.153 CIGARETTE AND TOBACCO DISTRIBUTOR OR SUBJOBBER LICENSE; SUSPENSION OR REVOCATION.

106.18 Under section 297F.04, the commissioner of revenue must not issue or renew a license issued under chapter 297F, and may revoke a license issued under chapter 297F, if the applicant has been convicted of a crime involving cigarettes or tobacco products.

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

106.22 Sec. 12. REPEALER.

106.23 Minnesota Statutes 2018, section 270C.17, subdivision 2, is repealed.

106.24 EFFECTIVE DATE. This section is effective the day following final enactment."

106.25 Delete the title and insert:

"A bill for an act relating to taxation; providing for financing and operation of state and local government; modifying provisions for property taxes, local government aids, individual and corporate franchise taxes, sales and use taxes, and other miscellaneous taxes and tax provisions; providing for certain property tax classification and certain property tax deferral; providing local government aid; penalty forgiveness; allowing counties special authority to distribute funds; providing for conformity and nonconformity to certain federal tax provisions; providing for certain additions and subtractions for the individual income and
corporate franchise taxes; making the student loan credit refundable; providing
for an election to file as C-option corporation; modifying sales tax exemptions;
modifying the workforce and affordable homeownership development program;
modifying tax increment financing provisions; modifying provisions for local
lodging taxes; providing for temporary use of special tax revenues; providing for
waiver of the required fee on taxpayers for entering into a payment agreement;
making other minor policy, technical, and conforming changes; requiring reports;
appropriating money; amending Minnesota Statutes 2018, sections 270.41,
subdivision 3a; 270C.445, subdivision 3; 272.02, by adding a subdivision; 272.029,
subdivision 2; 272.0295, subdivisions 2, 5; 273.063; 273.124, subdivision 1;
273.13, subdivision 25; 287.04; 289A.08, by adding a subdivision; 289A.38, by
adding a subdivision; 290.01, by adding a subdivision; 290.0131, by adding
subdivisions; 290.0132, subdivision 18, by adding subdivisions; 290.0133, by
adding subdivisions; 290.0134, by adding subdivisions; 290.06, subdivision 22;
290.0682, subdivision 2; 290.095, as amended; 290.92, subdivisions 4b, 4c; 295.75,
subdivision 2; 297A.70, subdivision 13; 297A.71, by adding a subdivision; 297F.04,
subdivision 2; 297F.17, subdivision 1; 462A.38, as amended; 469.176, by adding
a subdivision; 469.1763, subdivisions 3, 4; 469.190, subdivisions 1, 7; 477A.10;
609B.153; Minnesota Statutes 2019 Supplement, sections 6.495, subdivision 3;
270C.22, subdivision 1; 273.0755; 273.124, subdivision 14; 273.13, subdivision
34; 273.18; 289A.02, subdivision 7; 289A.08, subdivision 7; 289A.20, subdivision
4; 290.01, subdivisions 19, 31; 290.0121, subdivision 3; 290.0122, subdivision 8;
290.06, subdivision 2c; 290.091, subdivision 2; 290.191, subdivision 5; 290.92,
subdivision 5; 290.993; 290A.03, subdivision 15; 291.005, subdivision 1; 296A.06,
subdivision 2; 297A.66, subdivision 3; 297A.71, subdivision 52; 297A.75,
subdivision 1; 297F.09, subdivision 10; 297G.09, subdivision 9; 297I.26,
subdivision 2; 477B.01, subdivisions 5, 10, 11, by adding subdivisions; 477B.02,
subdivisions 2, 3, 5, 8, 9, 10, by adding a subdivision; 477B.03, subdivisions 3,
4, 7; 477B.04, subdivision 1, by adding a subdivision; 477C.02, subdivision 4;
477C.03, subdivisions 2, 5; 477C.04, by adding a subdivision; proposing coding
for new law in Minnesota Statutes, chapters 273; 290; 469; repealing Minnesota
Statutes 2018, section 270C.17, subdivision 2; Minnesota Statutes 2019
Supplement, sections 477B.02, subdivision 4; 477B.03, subdivision 6."