



- 4 Staff.** Allows the commission to employ an executive director and allows the director to employ persons necessary to carry out the duties of the commission.
- 5 Rules.** Allows the commissioner of revenue to adopt rules necessary to carry out this chapter.
- 6 Report to the commission.** Requires the commissioner of revenue to make a report by September 1 of the year prior to the start of a biennial session on the tax expenditures scheduled to expire in the next biennium. This report must include the following items (some of which are already included for some expenditures in the existing tax expenditure report:
- positive and negative impacts on taxpayers before and after the tax expenditure;
  - the impact on the tax incidence in the state;
  - impact on economic development in terms of jobs and wages;
  - the cumulative impact of other state and federal tax benefits for similar activities;
  - the measurable impact of the expenditure in meeting the goal of the tax expenditure;
  - a comparison of tax payers engaged in similar activities in neighboring states; and
  - the impact on overall uniformity and fairness of the tax code.
- 7 Commission duties.** By February 1 of the first year of a legislative session, the commission must present the chairs of the Senate and House tax committees with a report making recommendations on reauthorizing or abolishing the tax expenditures reviewed for that biennium, including information relevant to explain the recommendation. The commission shall use information from the tax expenditure report, the additional report required in section 6, and testimony from public hearings, as required in this section.
- 8 Requirement for review and periodic reenactment of all existing and new tax expenditures.**
- Subdivision 1. Expiration of existing tax expenditures.** Lays out a plan for the periodic review and expiration of existing tax expenditures every ten years. The expirations are grouped by chapter and type of tax and the groups expire on the following schedule:
- general sales tax, motor vehicle sales tax, and motor vehicle registration tax on December 31, 2012, and every tenth year thereafter;
  - gross revenue and gross receipt taxes and the other excises taxes, such as fuel taxes, controlled substances taxes, gambling taxes, cigarette and tobacco taxes, liquor taxes, and solid waste management taxes, on December 31, 2014, and every tenth year thereafter;
  - personal and corporate income taxes on December 31, 2016, and every tenth year thereafter;

- estate taxes, mortgage registry and deed taxes, the property tax refund programs; senior citizen property tax deferrals, and mineral taxes on December 31, 2018, and every tenth year thereafter; and
- all other tax expenditures in the property tax system on December 31, 2020, and every tenth year thereafter.

**Subd. 2. New and renewed tax expenditures.** Requires all new tax expenditures to include a statement of purpose and a standard or goal for measuring effectiveness; and an expiration date, no more than 12 years in the future that corresponds to the expiration dates for other tax expenditures in the same tax area.

- 9**      **Monitoring of recommendations.** Requires commission staff to monitor and report to the commission on legislation affecting reviewed tax expenditures.
- 10**     **Continuation by law.** States that the legislature may enact legislation to continue a reviewed tax expenditure for up to ten years. Clarifies that the legislature is not prohibited from eliminating a tax expenditure prior to the dates provided in this chapter.
- 11**     **Gift and grants.** Provides for the commission to accept gifts and grants from a nonprofit organization to fund its duties under this chapter.