

Subject Tax expenditure purpose statements

Authors Agbaje and Gomez

Analyst Sean Williams

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Summary

Under current Minnesota law, any bill that creates, renews, or continues a tax expenditure “must include a statement of intent that clearly provides the purpose of the tax expenditure and a standard or goal against which its effectiveness may be measured.” This requirement was created in the 2010 legislative session, effective for tax expenditures enacted after July 1, 2010.

Since that law was enacted, many tax expenditures have been enacted without the required purpose statements or measures of effectiveness. In many cases, the purpose statements were included in earlier versions of the enacting legislation, but not the final version that was signed into law.

H.F. 1732 establishes purpose statements for certain tax expenditures that were enacted without purpose statements after July 1, 2010. The sources of these purpose statements are as follows:

Tax Bill	Source of Purpose Statement
2019 Omnibus Tax Bill: Laws 2019, First Special Session, chapter 6	H.F. 2125, the third engrossment (2019)
2017 Omnibus Tax Bill: Laws 2017, First Special Session, chapter 1	H.F. 848, the third engrossment (2015)
2017 Tax Conformity Bill: Laws 2017, chapter 1	H.F. 848, the third engrossment (2015)
2016 Omnibus Supplemental Spending Bill: Laws 2016, chapter 189	H.F. 848, the third engrossment (2015)
2014 Omnibus Tax Bill: Laws 2014, First Special Session, chapter 308	H.F. 3167, the third engrossment (2014)