

**SENATE**  
**STATE OF MINNESOTA**  
**NINETIETH SESSION**

**S.F. No. 1218**

(SENATE AUTHORS: CHAMBERLAIN)

DATE	D-PG	OFFICIAL STATUS
02/20/2017	677	Introduction and first reading Referred to Taxes
03/30/2017	2976a 2978	Comm report: To pass as amended Second reading
05/19/2017	5434a	Rule 45-amend, subst. General Orders HF1227

1.1 A bill for an act

1.2 relating to taxation; making policy changes to property taxes, local government

1.3 aids, sales and use taxes, special taxes, paid preparers, and other taxes and tax

1.4 provisions; amending Minnesota Statutes 2016, sections 84.82, subdivision 10;

1.5 84.922, subdivision 11; 86B.401, subdivision 12; 270.074, subdivision 1; 270B.14,

1.6 by adding a subdivision; 270C.445, subdivisions 2, 3, 5a, 6, 6a, 6b, 6c, 7, 8, by

1.7 adding a subdivision; 270C.446, subdivisions 2, 3, 4, 5; 270C.447, subdivisions

1.8 1, 2, 3, by adding a subdivision; 272.025, subdivision 1; 272.0295, by adding a

1.9 subdivision; 272.115, subdivisions 1, 2, 3; 273.0755; 273.124, subdivisions 13,

1.10 13d; 274.014, subdivision 3; 274.135, subdivision 3; 289A.50, subdivision 2a;

1.11 289A.60, subdivisions 13, 28; 297I.30, subdivision 7; proposing coding for new

1.12 law in Minnesota Statutes, chapter 297A; repealing Minnesota Statutes 2016,

1.13 sections 270.074, subdivision 2; 270C.445, subdivision 1; 270C.447, subdivision

1.14 4.

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

1.16 style="text-align:center">**ARTICLE 1**

1.17 style="text-align:center">**PROPERTY TAX AND LOCAL GOVERNMENT AIDS**

1.18 Section 1. Minnesota Statutes 2016, section 270.074, subdivision 1, is amended to read:

1.19 Subdivision 1. **Valuation.** The commissioner shall determine the market valuation of

1.20 all flight property operated or used by every airline company in air commerce in this state.

1.21 The valuation apportioned to this state of such flight property shall be the proportion of the

1.22 total valuation thereof determined on the basis of the total of the following percentages:

1.23 ~~(1) 33-1/3 percent of the percentage which the total tonnage of passengers, express and~~

1.24 ~~freight first received by the airline company in this state during the preceding calendar year~~

1.25 ~~plus the total tonnage of passengers, express and freight finally discharged by it within this~~

1.26 ~~state during the preceding calendar year is of the total of such tonnage first received by the~~

2.1 ~~airline company or finally discharged by it, within and without this state during the preceding~~  
 2.2 ~~calendar year.~~

2.3 ~~(2) 33-1/3 percent of the percentage which, in equated plane hours, the total time of all~~  
 2.4 ~~aircraft of the airline company in flight in this state during the preceding calendar year, is~~  
 2.5 ~~of the total of such time in flight within and without this state during the preceding calendar~~  
 2.6 ~~year.~~

2.7 ~~(3) 33-1/3~~ (1) 50 percent of the percentage which the number of revenue ton miles of  
 2.8 passengers, mail, express and freight flown by the airline company within this state during  
 2.9 the preceding calendar year is of the total number of such miles flown by it within and  
 2.10 without this state during the preceding calendar year.

2.11 (2) 50 percent of the percentage that the total departures performed by the airline company  
 2.12 within this state during the preceding calendar year is of the total departures performed  
 2.13 within and without this state during the preceding calendar year.

2.14 **EFFECTIVE DATE.** This section is effective for assessment year 2018 and thereafter.

2.15 Sec. 2. Minnesota Statutes 2016, section 272.025, subdivision 1, is amended to read:

2.16 Subdivision 1. **Statement of exemption.** (a) Except in the case of property owned by  
 2.17 the state of Minnesota or any political subdivision thereof, ~~and property exempt from taxation~~  
 2.18 ~~under section 272.02, subdivisions 9, 10, 13, 15, 18, 20, and 22 to 25, and at the times~~  
 2.19 ~~provided in subdivision 3,~~ a taxpayer claiming an exemption from taxation on property  
 2.20 described in section 272.02, ~~subdivisions 2 to 33,~~ must file a statement of exemption with  
 2.21 the assessor of the assessment district in which the property is located. By February 1, 2018,  
 2.22 and by February 1 of each third year thereafter, the commissioner of revenue shall publish  
 2.23 on its Web site a list of the exemptions for which a taxpayer claiming an exemption must  
 2.24 file a statement of exemption. The commissioner's requirement that a taxpayer file a statement  
 2.25 of exemption pursuant to this subdivision shall not be considered a rule and is not subject  
 2.26 to the Administrative Procedure Act, chapter 14.

2.27 (b) A taxpayer claiming an exemption from taxation on property described in section  
 2.28 272.02, subdivision 10, must file a statement of exemption with the commissioner of revenue,  
 2.29 on or before February 15 of each year for which the taxpayer claims an exemption.

2.30 (c) In case of sickness, absence or other disability or for good cause, the assessor or the  
 2.31 commissioner may extend the time for filing the statement of exemption for a period not to  
 2.32 exceed 60 days.

3.1 (d) The commissioner of revenue shall prescribe the form and contents of the statement  
3.2 of exemption.

3.3 **EFFECTIVE DATE.** This section is effective for applications for exemption submitted  
3.4 in 2018 and thereafter.

3.5 Sec. 3. Minnesota Statutes 2016, section 272.0295, is amended by adding a subdivision  
3.6 to read:

3.7 Subd. 8. **Extension.** The commissioner may, for good cause, extend the time for filing  
3.8 the report required by subdivision 4. The extension must not exceed 15 days.

3.9 **EFFECTIVE DATE.** This section is effective for reports filed in 2018 and thereafter.

3.10 Sec. 4. Minnesota Statutes 2016, section 272.115, subdivision 1, is amended to read:

3.11 Subdivision 1. **Requirement.** Except as otherwise provided in subdivision 5 or 6,  
3.12 whenever any real estate is sold for a consideration in excess of ~~\$1,000~~ \$1,500, whether by  
3.13 warranty deed, quitclaim deed, contract for deed or any other method of sale, the grantor,  
3.14 grantee or the legal agent of either shall file a certificate of value with the county auditor  
3.15 in the county in which the property is located when the deed or other document is presented  
3.16 for recording. Contract for deeds are subject to recording under section 507.235, subdivision  
3.17 1. Value shall, in the case of any deed not a gift, be the amount of the full actual consideration  
3.18 thereof, paid or to be paid, including the amount of any lien or liens assumed. The items  
3.19 and value of personal property transferred with the real property must be listed and deducted  
3.20 from the sale price. The certificate of value shall include the classification to which the  
3.21 property belongs for the purpose of determining the fair market value of the property, and  
3.22 shall include any proposed change in use of the property known to the person filing the  
3.23 certificate that could change the classification of the property. The certificate shall include  
3.24 financing terms and conditions of the sale which are necessary to determine the actual,  
3.25 present value of the sale price for purposes of the sales ratio study. If the property is being  
3.26 acquired as part of a like-kind exchange under section 1031 of the Internal Revenue Code  
3.27 of 1986, as amended through December 31, 2006, that must be indicated on the certificate.  
3.28 The commissioner of revenue shall promulgate administrative rules specifying the financing  
3.29 terms and conditions which must be included on the certificate. The certificate of value  
3.30 must include the Social Security number or the federal employer identification number of  
3.31 the grantors and grantees. However, a married person who is not an owner of record and  
3.32 who is signing a conveyance instrument along with the person's spouse solely to release  
3.33 and convey their marital interest, if any, in the real property being conveyed is not a grantor

4.1 for the purpose of the preceding sentence. A statement in the deed that is substantially in  
 4.2 the following form is sufficient to allow the county auditor to accept a certificate for filing  
 4.3 without the Social Security number of the named spouse: "(Name) claims no ownership  
 4.4 interest in the real property being conveyed and is executing this instrument solely to release  
 4.5 and convey a marital interest, if any, in that real property." The identification numbers of  
 4.6 the grantors and grantees are private data on individuals or nonpublic data as defined in  
 4.7 section 13.02, subdivisions 9 and 12, but, notwithstanding that section, the private or  
 4.8 nonpublic data may be disclosed to the commissioner of revenue for purposes of tax  
 4.9 administration. The information required to be shown on the certificate of value is limited  
 4.10 to the information required as of the date of the acknowledgment on the deed or other  
 4.11 document to be recorded. The commissioner's determination of the amount for which a  
 4.12 certificate of value is required pursuant to this subdivision shall not be considered a rule  
 4.13 and is not subject to the Administrative Procedure Act, chapter 14.

4.14 **EFFECTIVE DATE.** This section is effective for certificates of value filed after  
 4.15 December 31, 2017.

4.16 Sec. 5. Minnesota Statutes 2016, section 272.115, subdivision 2, is amended to read:

4.17 Subd. 2. **Form; information required.** The certificate of value shall require such facts  
 4.18 and information as may be determined by the commissioner to be reasonably necessary in  
 4.19 the administration of the state education aid formulas. The form of the certificate of value  
 4.20 shall be prescribed by the Department of Revenue ~~which shall provide an adequate supply~~  
 4.21 ~~of forms to each county auditor.~~

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

4.23 Sec. 6. Minnesota Statutes 2016, section 272.115, subdivision 3, is amended to read:

4.24 Subd. 3. **Copies transmitted; homestead status.** The county auditor shall transmit ~~two~~  
 4.25 ~~true copies~~ of the certificate of value to the assessor who shall insert into the certificate of  
 4.26 value the most recent market value and when available, the year of original construction of  
 4.27 each parcel of property ~~on both copies,~~ and shall transmit ~~one copy~~ the certificate of value  
 4.28 to the Department of Revenue. Upon the request of a city council located within the county,  
 4.29 a copy of each certificate of value for property located in that city shall be made available  
 4.30 to the governing body of the city. The assessor shall remove the homestead classification  
 4.31 for the following assessment year from a property which is sold or transferred, unless the  
 4.32 grantee or the person to whom the property is transferred completes a homestead application  
 4.33 under section 273.124, subdivision 13, and qualifies for homestead status.

5.1 **EFFECTIVE DATE.** This section is effective for certificates of value filed after  
 5.2 December 31, 2017.

5.3 Sec. 7. Minnesota Statutes 2016, section 273.0755, is amended to read:

5.4 **273.0755 TRAINING AND EDUCATION OF PROPERTY TAX PERSONNEL.**

5.5 (a) Beginning with the four-year period starting on July 1, 2000, every person licensed  
 5.6 by the state Board of Assessors at the Accredited Minnesota Assessor level or higher, shall  
 5.7 successfully complete a weeklong Minnesota laws course sponsored by the Department of  
 5.8 Revenue at least once in every four-year period. An assessor need not attend the course if  
 5.9 they successfully pass the test for the course.

5.10 (b) The commissioner of revenue may require that each county, and each city for which  
 5.11 the city assessor performs the duties of county assessor, have (i) a person on the assessor's  
 5.12 staff who is certified by the Department of Revenue in sales ratio calculations, (ii) an officer  
 5.13 or employee who is certified by the Department of Revenue in tax calculations, and (iii) an  
 5.14 officer or employee who is certified by the Department of Revenue in the proper preparation  
 5.15 of abstracts of assessment. The commissioner of revenue may require that each county have  
 5.16 an officer or employee who is certified by the Department of Revenue in the proper  
 5.17 preparation of abstracts of tax lists.

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

5.24 (d) The commissioner of revenue may require that at least one employee of any county  
 5.25 or city that performs functions related to property tax administration complete additional  
 5.26 training that the commissioner deems necessary to promote uniform and equitable  
 5.27 implementation of the property tax laws, as defined in section 270C.01, subdivision 7.

5.28 **EFFECTIVE DATE.** This section is effective for assessment year 2018 and thereafter.

5.29 Sec. 8. Minnesota Statutes 2016, section 273.124, subdivision 13, is amended to read:

5.30 Subd. 13. **Homestead application.** (a) A person who meets the homestead requirements  
 5.31 under subdivision 1 must file a homestead application with the county assessor to initially  
 5.32 obtain homestead classification.

6.1 (b) The format and contents of a uniform homestead application shall be prescribed by  
6.2 the commissioner of revenue. The application must clearly inform the taxpayer that this  
6.3 application must be signed by all owners who occupy the property or by the qualifying  
6.4 relative and returned to the county assessor in order for the property to receive homestead  
6.5 treatment.

6.6 (c) Every property owner applying for homestead classification must furnish to the  
6.7 county assessor the Social Security number of each occupant who is listed as an owner of  
6.8 the property on the deed of record, the name and address of each owner who does not occupy  
6.9 the property, and the name and Social Security number of each owner's spouse ~~who occupies~~  
6.10 ~~the property~~. The application must be signed by each owner who occupies the property and  
6.11 by each owner's spouse who occupies the property, or, in the case of property that qualifies  
6.12 as a homestead under subdivision 1, paragraph (c), by the qualifying relative.

6.13 If a property owner occupies a homestead, the property owner's spouse may not claim  
6.14 another property as a homestead unless the property owner and the property owner's spouse  
6.15 file with the assessor an affidavit or other proof required by the assessor stating that the  
6.16 property qualifies as a homestead under subdivision 1, paragraph (e).

6.17 Owners or spouses occupying residences owned by their spouses and previously occupied  
6.18 with the other spouse, either of whom fail to include the other spouse's name and Social  
6.19 Security number on the homestead application or provide the affidavits or other proof  
6.20 requested, will be deemed to have elected to receive only partial homestead treatment of  
6.21 their residence. The remainder of the residence will be classified as nonhomestead residential.  
6.22 When an owner or spouse's name and Social Security number appear on homestead  
6.23 applications for two separate residences and only one application is signed, the owner or  
6.24 spouse will be deemed to have elected to homestead the residence for which the application  
6.25 was signed.

6.26 (d) If residential real estate is occupied and used for purposes of a homestead by a relative  
6.27 of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for  
6.28 the property to receive homestead status, a homestead application must be filed with the  
6.29 assessor. The Social Security number of each relative occupying the property and the name  
6.30 and Social Security number of the spouse of a relative occupying the property shall be  
6.31 required on the homestead application filed under this subdivision. If a different relative of  
6.32 the owner subsequently occupies the property, the owner of the property must notify the  
6.33 assessor within 30 days of the change in occupancy. The Social Security number of a relative  
6.34 occupying the property or relative's the spouse of a relative occupying the property is private  
6.35 data on individuals as defined by section 13.02, subdivision 12, but may be disclosed to the

7.1 commissioner of revenue, or, for the purposes of proceeding under the Revenue Recapture  
7.2 Act to recover personal property taxes owing, to the county treasurer.

7.3 (e) The homestead application shall also notify the property owners that if the property  
7.4 is granted homestead status for any assessment year, that same property shall remain  
7.5 classified as homestead until the property is sold or transferred to another person, or the  
7.6 owners, the spouse of the owner, or the relatives no longer use the property as their  
7.7 homestead. Upon the sale or transfer of the homestead property, a certificate of value must  
7.8 be timely filed with the county auditor as provided under section 272.115. Failure to notify  
7.9 the assessor within 30 days that the property has been sold, transferred, or that the owner,  
7.10 the spouse of the owner, or the relative is no longer occupying the property as a homestead,  
7.11 shall result in the penalty provided under this subdivision and the property will lose its  
7.12 current homestead status.

7.13 (f) If a homestead application has not been filed with the county by December 15, the  
7.14 assessor shall classify the property as nonhomestead for the current assessment year for  
7.15 taxes payable in the following year, provided that the owner may be entitled to receive the  
7.16 homestead classification by proper application under section 375.192.

7.17 **EFFECTIVE DATE.** This section is effective for applications for homestead filed in  
7.18 2018 and thereafter.

7.19 Sec. 9. Minnesota Statutes 2016, section 273.124, subdivision 13d, is amended to read:

7.20 Subd. 13d. **Homestead data.** On or before April 30 each year beginning in 2007, each  
7.21 county must provide the commissioner with the following data for each parcel of homestead  
7.22 property by electronic means as defined in section 289A.02, subdivision 8:

7.23 (1) the property identification number assigned to the parcel for purposes of taxes payable  
7.24 in the current year;

7.25 (2) the name and Social Security number of each occupant of homestead property who  
7.26 is the property owner, ~~property owner's spouse,~~ or qualifying relative of a property owner,  
7.27 and the spouse of the property owner who occupies homestead property or spouse of a  
7.28 qualifying relative of a property owner who occupies homestead property;

7.29 (3) the classification of the property under section 273.13 for taxes payable in the current  
7.30 year and in the prior year;

7.31 (4) an indication of whether the property was classified as a homestead for taxes payable  
7.32 in the current year because of occupancy by a relative of the owner or by a spouse of a  
7.33 relative;

8.1 (5) the property taxes payable as defined in section 290A.03, subdivision 13, for the  
8.2 current year and the prior year;

8.3 (6) the market value of improvements to the property first assessed for tax purposes for  
8.4 taxes payable in the current year;

8.5 (7) the assessor's estimated market value assigned to the property for taxes payable in  
8.6 the current year and the prior year;

8.7 (8) the taxable market value assigned to the property for taxes payable in the current  
8.8 year and the prior year;

8.9 (9) whether there are delinquent property taxes owing on the homestead;

8.10 (10) the unique taxing district in which the property is located; and

8.11 (11) such other information as the commissioner decides is necessary.

8.12 The commissioner shall use the information provided on the lists as appropriate under  
8.13 the law, including for the detection of improper claims by owners, or relatives of owners,  
8.14 under chapter 290A.

8.15 **EFFECTIVE DATE.** This section is effective for applications for homestead filed in  
8.16 2018 and thereafter.

8.17 Sec. 10. Minnesota Statutes 2016, section 274.014, subdivision 3, is amended to read:

8.18 Subd. 3. **Proof of compliance; transfer of duties.** (a) Any city or town that conducts  
8.19 local boards of appeal and equalization meetings must ~~provide proof to the county assessor~~  
8.20 ~~by February 1 that it is in compliance~~ comply with the training requirements of subdivision  
8.21 2 by February 1, by having at least one member who has attended an appeals and equalization  
8.22 course described in subdivision 2 within the last four years. ~~This notice must also verify~~  
8.23 ~~that there was a quorum of voting members at each meeting of the board of appeal and~~  
8.24 ~~equalization in the previous year.~~ A city or town that does not comply with these requirements  
8.25 is deemed to have transferred its board of appeal and equalization powers to the county for  
8.26 a minimum of two assessment years, beginning with the current year's assessment and  
8.27 continuing thereafter unless the powers are reinstated under paragraph (c).

8.28 (b) The county shall notify the taxpayers when the board of appeal and equalization for  
8.29 a city or town has been transferred to the county under this subdivision and, prior to the  
8.30 meeting time of the county board of equalization, the county shall make available to those  
8.31 taxpayers a procedure for a review of the assessments, including, but not limited to, open  
8.32 book meetings. This alternate review process shall take place in April and May.

9.1 (c) A local board whose powers are transferred to the county under this subdivision may  
 9.2 be reinstated by resolution of the governing body of the city or town and upon proof of  
 9.3 compliance with the requirements of subdivision 2. The resolution and proofs must be  
 9.4 provided to the county assessor by February 1 in order to be effective for the following  
 9.5 year's assessment.

9.6 (d) A local board whose powers are transferred to the county under this subdivision may  
 9.7 continue to employ a local assessor and is not deemed to have transferred its powers to  
 9.8 make assessments.

9.9 **EFFECTIVE DATE.** This section is effective for board of appeal and equalization  
 9.10 meetings held in 2018 and thereafter.

9.11 Sec. 11. Minnesota Statutes 2016, section 274.135, subdivision 3, is amended to read:

9.12 Subd. 3. **Proof of compliance; transfer of duties.** (a) Any county that conducts county  
 9.13 boards of appeal and equalization meetings must ~~provide proof to the commissioner by~~  
 9.14 ~~December 1, 2009, and each year thereafter, that it is in compliance~~ comply with the training  
 9.15 requirements of subdivision 2 by February 1, by having at least one member who has attended  
 9.16 an appeals and equalization course described in subdivision 2 within the last four years.  
 9.17 ~~Beginning in 2009, this notice must also verify that there was a quorum of voting members~~  
 9.18 ~~at each meeting of the board of appeal and equalization in the current year.~~ A county that  
 9.19 does not comply with these requirements is deemed to have transferred its board of appeal  
 9.20 and equalization powers to the special board of equalization appointed pursuant to section  
 9.21 274.13, subdivision 2, for a minimum of two assessment years, beginning with the following  
 9.22 year's assessment and continuing thereafter unless the powers are reinstated under paragraph  
 9.23 (c). A county that does not comply with the requirements of subdivision 2 and has not  
 9.24 appointed a special board of equalization shall appoint a special board of equalization before  
 9.25 the following year's assessment.

9.26 (b) The county shall notify the taxpayers when the board of appeal and equalization for  
 9.27 a county has been transferred to the special board of equalization under this subdivision  
 9.28 and, prior to the meeting time of the special board of equalization, the county shall make  
 9.29 available to those taxpayers a procedure for a review of the assessments, including, but not  
 9.30 limited to, open book meetings. This alternate review process must take place in April and  
 9.31 May.

9.32 (c) A county board whose powers are transferred to the special board of equalization  
 9.33 under this subdivision may be reinstated by resolution of the county board and upon proof  
 9.34 of compliance with the requirements of subdivision 2. The resolution and proofs must be

10.1 provided to the commissioner by December 1 in order to be effective for the following  
 10.2 year's assessment.

10.3 (d) If a person who was entitled to appeal to the county board of appeal and equalization  
 10.4 or to the county special board of equalization is not able to do so in a particular year because  
 10.5 the county board or special board did not meet the quorum and training requirements in this  
 10.6 section and section 274.13, or because the special board was not appointed, that person may  
 10.7 instead appeal to the commissioner of revenue, provided that the appeal is received by the  
 10.8 commissioner prior to August 1. The appeal is not subject to either chapter 14 or section  
 10.9 270C.92. The commissioner must issue an appropriate order to the county assessor in  
 10.10 response to each timely appeal, either upholding or changing the valuation or classification  
 10.11 of the property. Prior to October 1 of each year, the commissioner must charge and bill the  
 10.12 county where the property is located \$500 for each tax parcel covered by an order issued  
 10.13 under this paragraph in that year. Amounts received by the commissioner under this paragraph  
 10.14 must be deposited in the state's general fund. If payment of a billed amount is not received  
 10.15 by the commissioner before December 1 of the year when billed, the commissioner must  
 10.16 deduct that unpaid amount from any state aid the commissioner would otherwise pay to the  
 10.17 county under chapter 477A in the next year. Late payments may either be returned to the  
 10.18 county uncashed and undeposited or may be accepted. If a late payment is accepted, the  
 10.19 state aid paid to the county under chapter 477A must be adjusted within 12 months to  
 10.20 eliminate any reduction that occurred because the payment was late. Amounts needed to  
 10.21 make these adjustments are included in the appropriation under section 477A.03, subdivision  
 10.22 2.

10.23 **EFFECTIVE DATE.** This section is effective for board of appeal and equalization  
 10.24 meetings held in 2018 and thereafter.

10.25 Sec. 12. **REPEALER.**

10.26 Minnesota Statutes 2016, section 270.074, subdivision 2, is repealed.

10.27 **EFFECTIVE DATE.** This section is effective for assessment year 2018 and thereafter.

## 10.28 **ARTICLE 2**

### 10.29 **SALES AND USE, AND SPECIAL TAXES**

10.30 Section 1. Minnesota Statutes 2016, section 84.82, subdivision 10, is amended to read:

10.31 Subd. 10. **Proof of sales tax payment; collection and refund.** (a) A person applying  
 10.32 for initial registration of a snowmobile must provide a ~~snowmobile purchaser's certificate,~~

11.1 ~~showing a complete description of the snowmobile, the seller's name and address, the full~~  
 11.2 ~~purchase price of the snowmobile, and the trade-in allowance, if any. The certificate must~~  
 11.3 ~~include information showing either receipt, invoice, or other document to prove that:~~

11.4 (1) ~~that~~ the sales and use tax under chapter 297A was paid ~~or~~;

11.5 (2) the purchase was exempt from tax under chapter 297A. ~~The commissioner of public~~  
 11.6 ~~safety, in consultation with the commissioner and the commissioner of revenue, shall~~  
 11.7 ~~prescribe the form of the certificate. The certificate is not required if the applicant provides~~  
 11.8 ~~a receipt, invoice, or other document that shows; or~~

11.9 (3) the snowmobile was purchased from a retailer that is maintaining a place of business  
 11.10 in this state as defined in section 297A.66, subdivision 1, and is a dealer.

11.11 (b) The commissioner or authorized deputy registrars, acting as agents of the  
 11.12 commissioner of revenue under an agreement between the commissioner and the  
 11.13 commissioner of revenue, as provided in section 297A.825:

11.14 (1) must collect use tax from the applicant if the applicant does not provide the proof  
 11.15 required under paragraph (a); and

11.16 (2) are authorized to issue refunds of use tax paid to them in error.

11.17 (c) Subdivision 11 does not apply to refunds under this subdivision.

11.18 **EFFECTIVE DATE.** This section is effective for snowmobiles registered after June  
 11.19 30, 2017.

11.20 Sec. 2. Minnesota Statutes 2016, section 84.922, subdivision 11, is amended to read:

11.21 Subd. 11. **Proof of sales tax payment; collection and refund.** (a) A person applying  
 11.22 for initial registration in Minnesota of an all-terrain vehicle ~~shall~~ must provide a ~~purchase~~  
 11.23 ~~certificate showing a complete description of the all-terrain vehicle, the seller's name and~~  
 11.24 ~~address, the full purchase price of the all-terrain vehicle, and the trade-in allowance, if any.~~  
 11.25 ~~The certificate also must include information showing either receipt, invoice, or other~~  
 11.26 ~~document to prove that:~~

11.27 (1) the sales and use tax under chapter 297A was paid, ~~or~~;

11.28 (2) the purchase was exempt from tax under chapter 297A. ~~The certificate is not required~~  
 11.29 ~~if the applicant provides a receipt, invoice, or other document that shows; or~~

11.30 (3) the all-terrain vehicle was purchased from a retailer that is maintaining a place of  
 11.31 business in this state as defined in section 297A.66, subdivision 1, and is a dealer.

12.1 (b) The commissioner or authorized deputy registrars, acting as agents of the  
 12.2 commissioner of revenue under an agreement between the commissioner and the  
 12.3 commissioner of revenue, as provided in section 297A.825:

12.4 (1) must collect use tax from the applicant if the applicant does not provide the proof  
 12.5 required under paragraph (a); and

12.6 (2) are authorized to issue refunds of use tax paid to them in error.

12.7 (c) Subdivision 12 does not apply to refunds under this subdivision.

12.8 **EFFECTIVE DATE.** This section is effective for all-terrain vehicles registered after  
 12.9 June 30, 2017.

12.10 Sec. 3. Minnesota Statutes 2016, section 86B.401, subdivision 12, is amended to read:

12.11 Subd. 12. **Proof of sales tax payment; collection and refund.** (a) A person applying  
 12.12 for initial licensing of a watercraft must provide a ~~watercraft purchaser's certificate, showing~~  
 12.13 ~~a complete description of the watercraft, the seller's name and address, the full purchase~~  
 12.14 ~~price of the watercraft, and the trade-in allowance, if any. The certificate must include~~  
 12.15 ~~information showing either~~ receipt, invoice, or other document to prove that:

12.16 (1) that the sales and use tax under chapter 297A was paid or;

12.17 (2) the purchase was exempt from tax under chapter 297A. ~~The commissioner of public~~  
 12.18 ~~safety, in consultation with the commissioner and the commissioner of revenue, shall~~  
 12.19 ~~prescribe the form of the certificate. The certificate is not required if the applicant provides~~  
 12.20 ~~a receipt, invoice, or other document that shows; or~~

12.21 (3) the watercraft was purchased from a retailer that is maintaining a place of business  
 12.22 in this state as defined in section 297A.66, subdivision 1, and is a dealer.

12.23 (b) The commissioner or authorized deputy registrars, acting as agents of the  
 12.24 commissioner of revenue under an agreement between the commissioner and the  
 12.25 commissioner of revenue, as provided in section 297A.825:

12.26 (1) must collect use tax from the applicant if the applicant does not provide the proof  
 12.27 required under paragraph (a); and

12.28 (2) are authorized to issue refunds of use tax paid to them in error.

12.29 (c) Section 86B.415, subdivision 11, does not apply to refunds under this subdivision.

12.30 **EFFECTIVE DATE.** This section is effective for watercraft licensed after June 30,  
 12.31 2017.

13.1 Sec. 4. Minnesota Statutes 2016, section 270B.14, is amended by adding a subdivision to  
13.2 read:

13.3 Subd. 20. Department of Natural Resources; authorized deputy registrars of motor  
13.4 vehicles. The commissioner may disclose return information related to the taxes imposed  
13.5 by chapter 297A to the Department of Natural Resources or an authorized deputy registrar  
13.6 of motor vehicles only:

13.7 (1) if the commissioner has an agreement with the commissioner of natural resources  
13.8 under section 297A.825, subdivision 1; and

13.9 (2) to the extent necessary for the Department of Natural Resources or an authorized  
13.10 deputy registrar of motor vehicles, as agents for the commissioner, to verify that the  
13.11 applicable sales or use tax has been paid or that a sales tax exemption applies on the purchase  
13.12 of a snowmobile, all-terrain vehicle, or watercraft, and to administer sections 84.82,  
13.13 subdivision 10; 84.922, subdivision 11; 86B.401, subdivision 12; and 297A.825, regarding  
13.14 either their collection of use tax or their issuance of refunds to applicants of use tax paid to  
13.15 them in error.

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

13.17 Sec. 5. Minnesota Statutes 2016, section 289A.50, subdivision 2a, is amended to read:

13.18 Subd. 2a. **Refund of sales tax to purchasers.** (a) If a vendor has collected from a  
13.19 purchaser a tax on a transaction that is not subject to the tax imposed by chapter 297A, the  
13.20 purchaser may apply directly to the commissioner for a refund under this section if:

13.21 (1) the purchaser is currently registered or was registered during the period of the claim,  
13.22 to collect and remit the sales tax or to remit the use tax; and

13.23 (2) either

13.24 (i) the amount of the refund to be applied for exceeds \$500, or

13.25 (ii) the amount of the refund to be applied for does not exceed \$500, but the purchaser  
13.26 also applies for a capital equipment claim at the same time, and the total of the two refunds  
13.27 exceeds \$500.

13.28 (b) The purchaser may not file more than two applications for refund under this  
13.29 subdivision in a calendar year.

13.30 (c) Refunds shall not be issued for sales for resale where the vendor has a published no  
13.31 resale policy.

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

14.2 Sec. 6. **[297A.825] SNOWMOBILES; ALL-TERRAIN VEHICLES; WATERCRAFT;**  
 14.3 **PAYMENT OF TAXES; REFUNDS.**

14.4 Subdivision 1. **Agreement with commissioners of natural resources and public**  
 14.5 **safety; collection and refunds.** The commissioner may enter into an agreement with the  
 14.6 commissioner of natural resources, in consultation with the commissioner of public safety,  
 14.7 that provides that:

14.8 (1) the commissioner of natural resources and authorized deputy registrars of motor  
 14.9 vehicles must collect use tax on snowmobiles, all-terrain vehicles, and watercraft from  
 14.10 persons applying for initial registration or license of the item unless the applicant provides  
 14.11 a receipt, invoice, or other document to prove that:

14.12 (i) sales tax was paid on the purchase;

14.13 (ii) the purchase was exempt under this chapter;

14.14 (iii) use tax was paid to the commissioner in a form prescribed by the commissioner; or

14.15 (iv) the item was purchased from a retailer that is maintaining a place of business in this  
 14.16 state as defined in section 297A.66, subdivision 1, and is a dealer as defined in section  
 14.17 84.81, subdivision 10; 84.92, subdivision 3; or 86B.005, subdivision 4; and

14.18 (2) the commissioner of natural resources and authorized deputy registrars of motor  
 14.19 vehicles are authorized to issue refunds of use tax paid to them in error, meaning that either  
 14.20 the sales or use tax had already been paid or that the purchase was exempt from tax under  
 14.21 this chapter.

14.22 Subd. 2. **Agents.** For the purposes of collecting or refunding the tax under this section,  
 14.23 the commissioner of natural resources and authorized deputy registrars of motor vehicles  
 14.24 are the agents of the commissioner and are subject to, and must strictly comply with, all  
 14.25 rules consistent with this chapter prescribed by the commissioner.

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

14.27 Sec. 7. Minnesota Statutes 2016, section 297I.30, subdivision 7, is amended to read:

14.28 Subd. 7. **Surcharge.** ~~(a) By April 30 of each year, every company required to pay the~~  
 14.29 ~~surcharge under section 297I.10, subdivision 1, shall file a return for the five-month period~~  
 14.30 ~~ending March 31 in the form prescribed by the commissioner.~~

15.1 ~~(b)~~ (a) By June 30 of each year, every company required to pay the surcharge under  
 15.2 section 297I.10, subdivision 1, shall file a return for the ~~two-month~~ seven-month period  
 15.3 ending May 31 in the form prescribed by the commissioner.

15.4 ~~(e)~~ (b) By November 30 of each year, every company required to pay the surcharge  
 15.5 under section 297I.10, subdivision 1, shall file a return for the five-month period ending  
 15.6 October 31 in the form prescribed by the commissioner.

15.7 **EFFECTIVE DATE.** This section is effective for returns due after October 31, 2017.

### 15.8 **ARTICLE 3**

#### 15.9 **PAID PREPARERS**

15.10 Section 1. Minnesota Statutes 2016, section 270C.445, subdivision 2, is amended to read:

15.11 Subd. 2. **Definitions.** (a) For purposes of this section and sections 270C.4451 to  
 15.12 270C.447, the following terms have the meanings given.

15.13 (b) "Advertise" means to solicit business through any means or medium.

15.14 (c) "Client" means ~~an individual~~ a person for whom a tax preparer performs or agrees  
 15.15 to perform tax preparation services.

15.16 (d) "Facilitate" means to individually or in conjunction or cooperation with another  
 15.17 person:

15.18 (1) accept an application for a refund anticipation loan;

15.19 (2) pay to a client the proceeds, through direct deposit, a negotiable instrument, or any  
 15.20 other means, of a refund anticipation loan; or

15.21 (3) offer, arrange, process, provide, or in any other manner act to allow the making of,  
 15.22 a refund anticipation loan.

15.23 ~~(e) "Person" means an individual, corporation, partnership, limited liability company,~~  
 15.24 ~~association, trustee, or other legal entity.~~

15.25 ~~(f)~~ (e) "Refund anticipation check" means a negotiable instrument provided to a client  
 15.26 by the tax preparer or another person, which is issued from the proceeds of a taxpayer's  
 15.27 federal or state income tax refund or both and represents the net of the refund minus the tax  
 15.28 preparation fee and any other fees. A refund anticipation check includes a refund transfer.

15.29 ~~(g)~~ (f) "Refund anticipation loan" means a loan or any other extension of credit, whether  
 15.30 provided by the tax preparer or another entity such as a financial institution, in anticipation  
 15.31 of, and whose payment is secured by, a client's federal or state income tax refund or both.

16.1 ~~(h)~~ (g) "Tax preparation services" means services provided for a fee or other consideration  
 16.2 compensation to a client to:

16.3 (1) assist with preparing or filing ~~state or federal individual income tax returns~~ a return;

16.4 (2) assume final responsibility for completed work on ~~an individual income tax~~ a return  
 16.5 on which preliminary work has been done by another; ~~or~~

16.6 (3) sign or include on a return the preparer tax identification number required under  
 16.7 section 6109(a)(4) of the Internal Revenue Code; or

16.8 ~~(3)~~ (4) facilitate the provision of a refund anticipation loans and loan or a refund  
 16.9 anticipation checks ~~check~~.

16.10 ~~(h)~~ (h) "Tax preparer" or "preparer" means a person providing tax preparation services  
 16.11 ~~subject to this section.~~ except:

16.12 (1) an employee who prepares their employer's return;

16.13 (2) any fiduciary, or the regular employees of a fiduciary, while acting on behalf of the  
 16.14 fiduciary estate, testator, trustor, grantor, or beneficiaries of them;

16.15 (3) nonprofit organizations providing tax preparation services under the Internal Revenue  
 16.16 Service Volunteer Income Tax Assistance Program or Tax Counseling for the Elderly  
 16.17 Program;

16.18 (4) a person who merely furnishes typing, reproducing, or other mechanical assistance;

16.19 (5) a third-party bulk filer as defined in section 290.92, subdivision 30, that is currently  
 16.20 registered with the commissioner; and

16.21 (6) a certified service provider as defined in section 297A.995, subdivision 2, paragraph  
 16.22 (c), that provides all of the sales tax functions for a retailer not maintaining a place of  
 16.23 business in this state as described in section 297A.66.

16.24 (i) Except as otherwise provided, "return" means:

16.25 (1) a return as defined in section 270C.01, subdivision 8;

16.26 (2) a claim for refund of an overpayment;

16.27 (3) a claim filed pursuant to chapter 290A; and

16.28 (4) a claim for a credit filed under section 290.0677, subdivision 1.

16.29 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 16.30 31, 2017.

17.1 Sec. 2. Minnesota Statutes 2016, section 270C.445, subdivision 3, is amended to read:

17.2 Subd. 3. **Standards of conduct.** No tax preparer shall:

17.3 (1) without good cause fail to promptly, diligently, and without unreasonable delay  
17.4 complete a client's ~~tax~~ return;

17.5 (2) obtain the signature of a client to a ~~tax~~ return or authorizing document that contains  
17.6 blank spaces to be filled in after it has been signed;

17.7 (3) fail to sign a client's ~~tax~~ return when payment compensation for services rendered  
17.8 has been made;

17.9 (4) fail to provide on a client's return the preparer tax identification number when required  
17.10 under section 6109(a)(4) of the Internal Revenue Code or section 289A.60, subdivision 28;

17.11 ~~(4)~~ (5) fail or refuse to give a client a copy of any document requiring the client's signature  
17.12 within a reasonable time after the client signs the document;

17.13 ~~(5)~~ (6) fail to retain for at least four years a copy of ~~individual income tax~~ a client's  
17.14 returns;

17.15 ~~(6)~~ (7) fail to maintain a confidential relationship with clients or former clients;

17.16 ~~(7)~~ (8) fail to take commercially reasonable measures to safeguard a client's nonpublic  
17.17 personal information;

17.18 ~~(8)~~ (9) make, authorize, publish, disseminate, circulate, or cause to make, either directly  
17.19 or indirectly, any false, deceptive, or misleading statement or representation relating to or  
17.20 in connection with the offering or provision of tax preparation services;

17.21 ~~(9)~~ (10) require a client to enter into a loan arrangement in order to complete a ~~tax~~ client's  
17.22 return;

17.23 ~~(10)~~ (11) claim credits or deductions on a client's ~~tax~~ return for which the tax preparer  
17.24 knows or reasonably should know the client does not qualify;

17.25 (12) report a household income on a client's claim filed under chapter 290A that the tax  
17.26 preparer knows or reasonably should know is not accurate;

17.27 (13) engage in any conduct that is subject to a penalty under section 289A.60, subdivision  
17.28 13, 20, 20a, 26, or 28;

17.29 (14) whether or not acting as a taxpayer representative, fail to conform to the standards  
17.30 of conduct required by Minnesota Rules, part 8052.0300, subpart 4;

18.1 (15) whether or not acting as a taxpayer representative, engage in any conduct that is  
18.2 incompetent conduct under Minnesota Rules, part 8052.0300, subpart 5;

18.3 (16) whether or not acting as a taxpayer representative, engage in any conduct that is  
18.4 disreputable conduct under Minnesota Rules, part 8052.0300, subpart 6;

18.5 ~~(14)~~ (17) charge, offer to accept, or accept a fee based upon a percentage of an anticipated  
18.6 refund for tax preparation services;

18.7 ~~(12)~~ (18) under any circumstances, withhold or fail to return to a client a document  
18.8 provided by the client for use in preparing the client's tax return;

18.9 ~~(13)~~ (19) establish an account in the preparer's name to receive a client's refund through  
18.10 a direct deposit or any other instrument unless the client's name is also on the account,  
18.11 except that a taxpayer may assign the portion of a refund representing the Minnesota  
18.12 education credit available under section 290.0674 to a bank account without the client's  
18.13 name, as provided under section 290.0679;

18.14 ~~(14)~~ (20) fail to act in the best interests of the client;

18.15 ~~(15)~~ (21) fail to safeguard and account for any money handled for the client;

18.16 ~~(16)~~ (22) fail to disclose all material facts of which the preparer has knowledge which  
18.17 might reasonably affect the client's rights and interests;

18.18 ~~(17)~~ (23) violate any provision of section 332.37;

18.19 ~~(18)~~ (24) include any of the following in any document provided or signed in connection  
18.20 with the provision of tax preparation services:

18.21 (i) a hold harmless clause;

18.22 (ii) a confession of judgment or a power of attorney to confess judgment against the  
18.23 client or appear as the client in any judicial proceeding;

18.24 (iii) a waiver of the right to a jury trial, if applicable, in any action brought by or against  
18.25 a debtor;

18.26 (iv) an assignment of or an order for payment of wages or other compensation for  
18.27 services;

18.28 (v) a provision in which the client agrees not to assert any claim or defense otherwise  
18.29 available;

18.30 (vi) a waiver of any provision of this section or a release of any obligation required to  
18.31 be performed on the part of the tax preparer; or

19.1 (vii) a waiver of the right to injunctive, declaratory, or other equitable relief or relief on  
 19.2 a class basis; or

19.3 ~~(19)~~ (25) if making, providing, or facilitating a refund anticipation loan, fail to provide  
 19.4 all disclosures required by the federal Truth in Lending Act, United States Code, title 15,  
 19.5 in a form that may be retained by the client.

19.6 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 19.7 31, 2017.

19.8 Sec. 3. Minnesota Statutes 2016, section 270C.445, subdivision 5a, is amended to read:

19.9 Subd. 5a. **Nongame wildlife checkoff.** A tax preparer must give written notice of the  
 19.10 option to contribute to the nongame wildlife management account in section 290.431 to  
 19.11 corporate clients that file an income tax return and to individual clients who file an income  
 19.12 tax return or ~~property tax refund claim form~~ under chapter 290A. This notification must be  
 19.13 included with information sent to the client at the same time as the preliminary worksheets  
 19.14 or other documents used in preparing the client's return and must include a line for displaying  
 19.15 contributions.

19.16 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 19.17 31, 2017.

19.18 Sec. 4. Minnesota Statutes 2016, section 270C.445, subdivision 6, is amended to read:

19.19 Subd. 6. **Enforcement; administrative order; penalties; cease and desist.** (a) The  
 19.20 commissioner may impose an administrative penalty of not more than \$1,000 per violation  
 19.21 of subdivision 3, ~~3a, 4, 5, or 5b~~ or 5, or section 270C.4451, provided that a penalty may not  
 19.22 be imposed for any conduct ~~that is also subject to the~~ for which a tax return preparer penalties  
 19.23 ~~in~~ penalty is imposed under section 289A.60, subdivision 13. The commissioner may  
 19.24 terminate a tax preparer's authority to transmit returns electronically to the state, if the  
 19.25 commissioner determines the tax preparer engaged in a pattern and practice of violating  
 19.26 this section. Imposition of a penalty under this ~~subdivision~~ paragraph is subject to the  
 19.27 contested case procedure under chapter 14. The commissioner shall collect the penalty in  
 19.28 the same manner as the income tax. There is no right to make a claim for refund under  
 19.29 section 289A.50 of the penalty imposed under this paragraph. Penalties imposed under this  
 19.30 ~~subdivision~~ paragraph are public data.

19.31 (b) In addition to the penalty under paragraph (a), if the commissioner determines that  
 19.32 a tax preparer has violated subdivision 3 or 5, or section 270C.4451, the commissioner may

20.1 issue an administrative order to the tax preparer requiring the tax preparer to cease and  
20.2 desist from committing the violation. The administrative order may include an administrative  
20.3 penalty provided in paragraph (a).

20.4 (c) If the commissioner issues an administrative order under paragraph (b), the  
20.5 commissioner must send the order to the tax preparer addressed to the last known address  
20.6 of the tax preparer.

20.7 (d) A cease and desist order under paragraph (b) must:

20.8 (1) describe the act, conduct, or practice committed and include a reference to the law  
20.9 that the act, conduct, or practice violates; and

20.10 (2) provide notice that the tax preparer may request a hearing as provided in this  
20.11 subdivision.

20.12 (e) Within 30 days after the commissioner issues an administrative order under paragraph  
20.13 (b), the tax preparer may request a hearing to review the commissioner's action. The request  
20.14 for hearing must be made in writing and must be served on the commissioner at the address  
20.15 specified in the order. The hearing request must specifically state the reasons for seeking  
20.16 review of the order. The date on which a request for hearing is served by mail is the postmark  
20.17 date on the envelope in which the request for hearing is mailed.

20.18 (f) If a tax preparer does not timely request a hearing regarding an administrative order  
20.19 issued under paragraph (b), the order becomes a final order of the commissioner and is not  
20.20 subject to review by any court or agency.

20.21 (g) If a tax preparer timely requests a hearing regarding an administrative order issued  
20.22 under paragraph (b), the hearing must be commenced within ten days after the commissioner  
20.23 receives the request for a hearing.

20.24 (h) A hearing timely requested under paragraph (e) is subject to the contested case  
20.25 procedure under chapter 14, as modified by this subdivision. The administrative law judge  
20.26 must issue a report containing findings of fact, conclusions of law, and a recommended  
20.27 order within ten days after the completion of the hearing, the receipt of late-filed exhibits,  
20.28 or the submission of written arguments, whichever is later.

20.29 (i) Within five days of the date of the administrative law judge's report issued under  
20.30 paragraph (h), any party aggrieved by the administrative law judge's report may submit  
20.31 written exceptions and arguments to the commissioner. Within 15 days after receiving the  
20.32 administrative law judge's report, the commissioner must issue an order vacating, modifying,  
20.33 or making final the administrative order.

21.1 (j) The commissioner and the tax preparer requesting a hearing may by agreement  
21.2 lengthen any time periods prescribed in paragraphs (g) to (i).

21.3 (k) An administrative order issued under paragraph (b) is in effect until it is modified  
21.4 or vacated by the commissioner or an appellate court. The administrative hearing provided  
21.5 by paragraphs (e) to (i) and any appellate judicial review as provided in chapter 14 constitute  
21.6 the exclusive remedy for a tax preparer aggrieved by the order.

21.7 (l) The commissioner may impose an administrative penalty, in addition to the penalty  
21.8 under paragraph (a), up to \$5,000 per violation of a cease and desist order issued under  
21.9 paragraph (b). Imposition of a penalty under this paragraph is subject to the contested case  
21.10 procedure under chapter 14. Within 30 days after the commissioner imposes a penalty under  
21.11 this paragraph, the tax preparer assessed the penalty may request a hearing to review the  
21.12 penalty order. The request for hearing must be made in writing and must be served on the  
21.13 commissioner at the address specified in the order. The hearing request must specifically  
21.14 state the reasons for seeking review of the order. The cease and desist order issued under  
21.15 paragraph (b) is not subject to review in a proceeding to challenge the penalty order under  
21.16 this paragraph. The date on which a request for hearing is served by mail is the postmark  
21.17 date on the envelope in which the request for hearing is mailed. If the tax preparer does not  
21.18 timely request a hearing, the penalty order becomes a final order of the commissioner and  
21.19 is not subject to review by any court or agency. A penalty imposed by the commissioner  
21.20 under this paragraph may be collected and enforced by the commissioner as an income tax  
21.21 liability. There is no right to make a claim for refund under section 289A.50 of the penalty  
21.22 imposed under this paragraph. A penalty imposed under this paragraph is public data.

21.23 (m) If a tax preparer violates a cease and desist order issued under paragraph (b), the  
21.24 commissioner may terminate the tax preparer's authority to transmit returns electronically  
21.25 to the state. Termination under this paragraph is public data.

21.26 (n) A cease and desist order issued under paragraph (b) is public data when it is a final  
21.27 order.

21.28 (o) Notwithstanding any other law, the commissioner may impose a penalty or take other  
21.29 action under this subdivision against a tax preparer, with respect to a return, within the  
21.30 period to assess tax on that return as provided by section 289A.38.

21.31 (p) Notwithstanding any other law, the imposition of a penalty or any other action against  
21.32 a tax preparer under this subdivision, other than with respect to a return, must be taken by  
21.33 the commissioner within five years of the violation of statute.

22.1 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 22.2 31, 2017.

22.3 Sec. 5. Minnesota Statutes 2016, section 270C.445, subdivision 6a, is amended to read:

22.4 Subd. 6a. **Exchange of data; State Board of Accountancy.** The State Board of  
 22.5 Accountancy shall refer to the commissioner complaints it receives about tax preparers who  
 22.6 are not subject to the jurisdiction of the State Board of Accountancy and who are alleged  
 22.7 to have violated the provisions of ~~subdivisions 3, 3a, 4, 4a, 4b, 5, and 5b~~ this section, except  
 22.8 subdivision 5a, or section 270C.4451.

22.9 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 22.10 31, 2017.

22.11 Sec. 6. Minnesota Statutes 2016, section 270C.445, subdivision 6b, is amended to read:

22.12 Subd. 6b. **Exchange of data; Lawyers Board of Professional Responsibility.** The  
 22.13 Lawyers Board of Professional Responsibility may refer to the commissioner complaints  
 22.14 it receives about tax preparers who are not subject to its jurisdiction and who are alleged to  
 22.15 have violated the provisions of ~~subdivisions 3, 3a, 4, 4a, 4b, 5, and 5b~~ this section, except  
 22.16 subdivision 5a, or section 270C.4451.

22.17 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 22.18 31, 2017.

22.19 Sec. 7. Minnesota Statutes 2016, section 270C.445, subdivision 6c, is amended to read:

22.20 Subd. 6c. **Exchange of data; commissioner.** The commissioner shall refer information  
 22.21 and complaints about tax preparers who are alleged to have violated the provisions of  
 22.22 ~~subdivisions 3, 3a, 4, 4a, 4b, 5, and 5b~~ this section, except subdivision 5a, or section  
 22.23 270C.4451, to:

22.24 (1) the State Board of Accountancy, if the tax preparer is under its jurisdiction; and

22.25 (2) the Lawyers Board of Professional Responsibility, if the tax preparer is under its  
 22.26 jurisdiction.

22.27 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 22.28 31, 2017.

23.1 Sec. 8. Minnesota Statutes 2016, section 270C.445, subdivision 7, is amended to read:

23.2 Subd. 7. **Enforcement; civil actions.** (a) Any violation of this section or section  
 23.3 270C.4451 is an unfair, deceptive, and unlawful trade practice within the meaning of section  
 23.4 8.31. An action taken under this section is in the public interest.

23.5 (b) A client may bring a civil action seeking redress for a violation of this section in the  
 23.6 conciliation or the district court of the county in which unlawful action is alleged to have  
 23.7 been committed or where the respondent resides or has a principal place of business.

23.8 (c) A court finding for the plaintiff must award:

23.9 (1) actual damages;

23.10 (2) incidental and consequential damages;

23.11 (3) statutory damages of twice the sum of: (i) the tax preparation fees; and (ii) if the  
 23.12 plaintiff violated ~~subdivision 3a, 4, or 5b~~ section 270C.4451, subdivision 1, 2, or 5, all  
 23.13 interest and fees for a refund anticipation loan;

23.14 (4) reasonable attorney fees;

23.15 (5) court costs; and

23.16 (6) any other equitable relief as the court considers appropriate.

23.17 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 23.18 31, 2017.

23.19 Sec. 9. Minnesota Statutes 2016, section 270C.445, subdivision 8, is amended to read:

23.20 Subd. 8. **Limited exemptions.** (a) Except as provided in paragraph (b), the provisions  
 23.21 of this section, except for subdivisions 3a, 4, and 5b, subdivisions 3; 5; 5a; 6, paragraphs  
 23.22 (a) to (n); and 7, do not apply to:

23.23 (1) an attorney admitted to practice under section 481.01;

23.24 (2) a registered accounting practitioner, a registered accounting practitioner firm, a  
 23.25 certified public accountant, or other person who is subject to the jurisdiction of the State  
 23.26 Board of Accountancy a certified public accountant firm, licensed in accordance with chapter  
 23.27 326A;

23.28 (3) an enrolled agent who has passed the special enrollment examination administered  
 23.29 by the Internal Revenue Service; ~~or~~

24.1 (4) ~~anyone~~ a person who provides, or assists in providing, tax preparation services within  
24.2 the scope of duties as an employee ~~or supervisor~~ under the direction or supervision of a  
24.3 person who is exempt under this subdivision; or

24.4 (5) a person acting as a supervisor to a tax preparer who is exempt under this subdivision.

24.5 (b) The provisions of subdivisions 3; 6, paragraphs (a) to (n); and 7, apply to a tax  
24.6 preparer who would otherwise be exempt under paragraph (a) if the tax preparer has:

24.7 (1) had a professional license suspended or revoked for cause, not including a failure to  
24.8 pay a professional licensing fee, by any authority of any state, territory, or possession of  
24.9 the United States, including a commonwealth, or the District of Columbia, any federal court  
24.10 of record, or any federal agency, body, or board;

24.11 (2) irrespective of whether an appeal has been taken, been convicted of any crime  
24.12 involving dishonesty or breach of trust;

24.13 (3) been censured, suspended, or disbarred under United States Treasury Department  
24.14 Circular 230;

24.15 (4) been sanctioned by a court of competent jurisdiction, whether in a civil or criminal  
24.16 proceeding, including suits for injunctive relief, relating to any taxpayer's tax liability or  
24.17 the tax preparer's own tax liability, for:

24.18 (i) instituting or maintaining proceedings primarily for delay;

24.19 (ii) advancing frivolous or groundless arguments; or

24.20 (iii) failing to pursue available administrative remedies; or

24.21 (5) demonstrated a pattern of willful disreputable conduct by:

24.22 (i) failing to file a return that the tax preparer was required to file annually for two of  
24.23 the three immediately preceding tax periods; or

24.24 (ii) failing to file a return that the tax preparer was required to file more frequently than  
24.25 annually for three of the six immediately preceding tax periods.

24.26 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
24.27 31, 2017.

25.1 Sec. 10. Minnesota Statutes 2016, section 270C.445, is amended by adding a subdivision  
25.2 to read:

25.3 Subd. 9. Powers additional. The powers and authority granted in this section are in  
25.4 addition to all other powers of the commissioner. The use of the powers granted in this  
25.5 section does not preclude the use of any other power or authority of the commissioner.

25.6 EFFECTIVE DATE. This section is effective for claims and returns filed after December  
25.7 31, 2017.

25.8 Sec. 11. Minnesota Statutes 2016, section 270C.446, subdivision 2, is amended to read:

25.9 Subd. 2. **Required and excluded tax preparers.** (a) Subject to the limitations of  
25.10 paragraph (b), the commissioner must publish lists of tax preparers as defined in section  
25.11 ~~289A.60, subdivision 13, paragraph (f)~~ 270C.445, subdivision 2, paragraph (h), who have  
25.12 been:

25.13 (1) convicted under section 289A.63 for returns or claims prepared as a tax preparer or;

25.14 (2) assessed penalties in excess of \$1,000 under section 289A.60, subdivision 13,  
25.15 paragraph (a);

25.16 (3) convicted for identity theft under section 609.527, or a similar statute, for a return  
25.17 filed with the commissioner, the Internal Revenue Service, or another state;

25.18 (4) assessed a penalty under section 270C.445, subdivision 6, paragraph (a), in excess  
25.19 of \$1,000;

25.20 (5) issued a cease and desist order under section 270C.445, subdivision 6, paragraph  
25.21 (b), that has become a final order; or

25.22 (6) assessed a penalty under section 270C.445, subdivision 6, paragraph (l), for violating  
25.23 a cease and desist order.

25.24 (b) For the purposes of this section, tax preparers are not subject to publication if:

25.25 (1) an administrative or court action contesting ~~the~~ or appealing a penalty described in  
25.26 paragraph (a), clause (2), (4), or (6), has been filed or served and is unresolved at the time  
25.27 when notice would be given under subdivision 3;

25.28 (2) an appeal period to contest ~~the~~ a penalty described in paragraph (a), clause (2), (4),  
25.29 or (6), has not expired; ~~or~~

25.30 (3) the commissioner has been notified that the tax preparer is deceased;

26.1 (4) an appeal period to contest a cease and desist order issued under section 270C.445,  
 26.2 subdivision 6, paragraph (b), has not expired;

26.3 (5) an administrative or court action contesting or appealing a cease and desist order  
 26.4 issued under section 270C.445, subdivision 6, paragraph (b), has been filed or served and  
 26.5 is unresolved at the time when notice would be given under subdivision 3;

26.6 (6) a direct appeal of a conviction described in paragraph (a), clause (1) or (3), has been  
 26.7 filed or served and is unresolved at the time when the notice would be given under  
 26.8 subdivision 3; or

26.9 (7) an appeal period to contest a conviction described in paragraph (a), clause (1) or (3),  
 26.10 has not expired.

26.11 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 26.12 31, 2017.

26.13 Sec. 12. Minnesota Statutes 2016, section 270C.446, subdivision 3, is amended to read:

26.14 Subd. 3. **Notice to tax preparer.** (a) At least 30 days before publishing the name of a  
 26.15 tax preparer subject to ~~penalty~~ publication under this section, the commissioner shall mail  
 26.16 a written notice to the tax preparer, detailing the ~~amount and nature of each penalty~~ basis  
 26.17 for the publication and the intended publication of the information listed in subdivision 4  
 26.18 related to the penalty. The notice must be ~~mailed by first class and certified mail~~ sent to the  
 26.19 tax preparer addressed to the last known address of the tax preparer. The notice must include  
 26.20 information regarding the exceptions listed in subdivision 2, paragraph (b), and must state  
 26.21 that the tax preparer's information will not be published if the tax preparer provides  
 26.22 information establishing that subdivision 2, paragraph (b), prohibits publication of the tax  
 26.23 preparer's name.

26.24 (b) Thirty days after the notice is mailed and if the tax preparer has not proved to the  
 26.25 commissioner that subdivision 2, paragraph (b), prohibits publication, the commissioner  
 26.26 may publish in a list of tax preparers subject to penalty the information about the tax preparer  
 26.27 that is listed in subdivision 4.

26.28 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 26.29 31, 2017.

26.30 Sec. 13. Minnesota Statutes 2016, section 270C.446, subdivision 4, is amended to read:

26.31 Subd. 4. **Form of list.** The list may be published by any medium or method. The list  
 26.32 must contain the name, associated business name or names, address or addresses, and

27.1 violation or violations ~~for which a penalty was imposed of~~ that make each tax preparer  
 27.2 subject to ~~penalty~~ publication.

27.3 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 27.4 31, 2017.

27.5 Sec. 14. Minnesota Statutes 2016, section 270C.446, subdivision 5, is amended to read:

27.6 Subd. 5. **Removal from list.** The commissioner shall remove the name of a tax preparer  
 27.7 from the list of tax preparers published under this section:

27.8 (1) when the commissioner determines that the name was included on the list in error;

27.9 (2) ~~within 90 days~~ three years after the preparer has demonstrated to the commissioner  
 27.10 that the preparer fully paid all fines and penalties imposed, served any suspension, satisfied  
 27.11 any sentence imposed, successfully completed any probationary period imposed, and  
 27.12 successfully completed any remedial actions required by the commissioner, the State Board  
 27.13 of Accountancy, or the Lawyers Board of Professional Responsibility; or

27.14 (3) when the commissioner has been notified that the tax preparer is deceased.

27.15 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 27.16 31, 2017.

27.17 Sec. 15. Minnesota Statutes 2016, section 270C.447, subdivision 1, is amended to read:

27.18 Subdivision 1. **Commencement of action.** (a) Whenever it appears to the commissioner  
 27.19 that a tax preparer doing business in Minnesota has engaged in any conduct described in  
 27.20 subdivision 2, a civil action in the name of the state of Minnesota may be commenced to  
 27.21 enjoin any person who is a tax return preparer doing business in this state from further  
 27.22 engaging in any conduct described in subdivision 2 the conduct and enforce compliance.

27.23 (b) An action under this subdivision must be brought by the attorney general in:

27.24 (1) the district court for the judicial district of the tax ~~return~~ preparer's residence or  
 27.25 principal place of business, ~~or in which the~~;

27.26 (2) the district court for the judicial district of the residence of any taxpayer with respect  
 27.27 to whose ~~tax~~ return the action is brought ~~resides~~; or

27.28 (3) Ramsey County District Court.

27.29 (c) The court may exercise its jurisdiction over the action separate and apart from any  
 27.30 other action brought by the state of Minnesota against the tax ~~return~~ preparer or any taxpayer.

28.1 The court must grant a permanent injunction or other appropriate relief if the commissioner  
 28.2 shows that the person has engaged in conduct constituting a violation of a law administered  
 28.3 by the commissioner or a cease and desist order issued by the commissioner. The  
 28.4 commissioner shall not be required to show irreparable harm.

28.5 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 28.6 31, 2017.

28.7 Sec. 16. Minnesota Statutes 2016, section 270C.447, subdivision 2, is amended to read:

28.8 Subd. 2. **Injunction prohibiting specific conduct.** In an action under subdivision 1,  
 28.9 the court may enjoin the person from further engaging in that conduct if the court finds that  
 28.10 a tax ~~return~~ preparer has:

28.11 (1) engaged in any conduct subject to a civil penalty under section 289A.60 ~~or~~ a criminal  
 28.12 penalty under section 289A.63, or a criminal penalty under section 609.527 or a similar  
 28.13 statute for a return filed with the commissioner, the Internal Revenue Service, or another  
 28.14 state;

28.15 (2) misrepresented the preparer's eligibility to practice before the Department of Revenue,  
 28.16 or ~~otherwise~~ misrepresented the preparer's experience or education as a tax ~~return~~ preparer;

28.17 (3) guaranteed the payment of any tax refund or the allowance of any tax credit; ~~or~~

28.18 (4) violated a cease and desist order issued by the commissioner; or

28.19 ~~(4)~~ (5) engaged in any other fraudulent or deceptive conduct that substantially interferes  
 28.20 with the proper administration of a law administered by the commissioner, and injunctive  
 28.21 relief is appropriate to prevent the recurrence of that conduct;

28.22 ~~the court may enjoin the person from further engaging in that conduct.~~

28.23 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 28.24 31, 2017.

28.25 Sec. 17. Minnesota Statutes 2016, section 270C.447, subdivision 3, is amended to read:

28.26 Subd. 3. **Injunction prohibiting all business activities.** If the court finds that a tax  
 28.27 ~~return~~ preparer has continually or repeatedly engaged in conduct described in subdivision  
 28.28 2, and that an injunction prohibiting that conduct would not be sufficient to prevent the  
 28.29 person's interference with the proper administration of a law administered by the  
 28.30 commissioner, the court may enjoin the person from acting as a tax ~~return~~ preparer. The  
 28.31 court may not enjoin the employer of a tax ~~return~~ preparer for conduct described in

29.1 subdivision 2 engaged in by one or more of the employer's employees unless the employer  
29.2 was also actively involved in that conduct.

29.3 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
29.4 31, 2017.

29.5 Sec. 18. Minnesota Statutes 2016, section 270C.447, is amended by adding a subdivision  
29.6 to read:

29.7 Subd. 3a. **Enforcement of cease and desist orders.** (a) Whenever the commissioner  
29.8 under subdivision 1 or 3 seeks to enforce compliance with a cease and desist order, the court  
29.9 must consider the allegations in the cease and desist order conclusively established if the  
29.10 order is a final order.

29.11 (b) If the court finds the tax preparer was not in compliance with a cease and desist order,  
29.12 the court may impose a further civil penalty against the tax preparer for contempt in an  
29.13 amount up to \$10,000 for each violation and may grant any other relief the court determines  
29.14 is just and proper in the circumstances. A civil penalty imposed by a court under this section  
29.15 may be collected and enforced by the commissioner as an income tax liability.

29.16 (c) The court may not require the commissioner to post a bond in an action or proceeding  
29.17 under this section.

29.18 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
29.19 31, 2017.

29.20 Sec. 19. Minnesota Statutes 2016, section 289A.60, subdivision 13, is amended to read:

29.21 Subd. 13. **Penalties for tax ~~return~~ preparers.** (a) If an understatement of liability with  
29.22 respect to a return or claim for refund is due to a reckless disregard of laws and rules or  
29.23 willful attempt in any manner to understate the liability for a tax by a person who is a tax  
29.24 ~~return~~ preparer with respect to the return or claim, the person shall pay to the commissioner  
29.25 a penalty of \$500. If a part of a ~~property tax refund~~ claim filed under section 290.0677,  
29.26 subdivision 1, or chapter 290A is excessive due to a reckless disregard or willful attempt  
29.27 in any manner to overstate the claim ~~for relief allowed under chapter 290A~~ by a person who  
29.28 is a tax ~~refund or return~~ preparer, the ~~person~~ tax preparer shall pay to the commissioner a  
29.29 penalty of \$500 with respect to the claim. These penalties may not be assessed against the  
29.30 employer of a tax ~~return~~ preparer unless the employer was actively involved in the reckless  
29.31 disregard or willful attempt to understate the liability for a tax or to overstate the claim for

30.1 refund. These penalties are income tax liabilities and may be assessed at any time as provided  
30.2 in section 289A.38, subdivision 5.

30.3 (b) A civil action in the name of the state of Minnesota may be commenced to enjoin  
30.4 any person who is a tax ~~return~~ preparer doing business in this state as provided in section  
30.5 270C.447.

30.6 (c) The commissioner may terminate or suspend a tax preparer's authority to transmit  
30.7 returns electronically to the state, if the commissioner determines that the tax preparer has  
30.8 engaged in a pattern and practice of conduct in violation of paragraph (a) of this subdivision  
30.9 or has been convicted under section 289A.63.

30.10 (d) For purposes of this subdivision, the term "understatement of liability" means an  
30.11 understatement of the net amount payable with respect to a tax imposed by state tax law,  
30.12 or an overstatement of the net amount creditable or refundable with respect to a tax. The  
30.13 determination of whether or not there is an understatement of liability must be made without  
30.14 regard to any administrative or judicial action involving the taxpayer. For purposes of this  
30.15 subdivision, the amount determined for underpayment of estimated tax under either section  
30.16 289A.25 or 289A.26 is not considered an understatement of liability.

30.17 (e) For purposes of this subdivision, the term "overstatement of claim" means an  
30.18 overstatement of the net amount refundable with respect to a claim ~~for property tax relief~~  
30.19 ~~provided by~~ filed under section 290.0677, subdivision 1, or chapter 290A. The determination  
30.20 of whether or not there is an overstatement of a claim must be made without regard to  
30.21 administrative or judicial action involving the claimant.

30.22 (f) For purposes of this section, the term ~~"tax refund or return preparer" means an~~  
30.23 ~~individual who prepares for compensation, or who employs one or more individuals to~~  
30.24 ~~prepare for compensation, a return of tax, or a claim for refund of tax. The preparation of~~  
30.25 ~~a substantial part of a return or claim for refund is treated as if it were the preparation of~~  
30.26 ~~the entire return or claim for refund. An individual is not considered a tax return preparer~~  
30.27 ~~merely because the individual:~~

30.28 (1) ~~gives typing, reproducing, or other mechanical assistance;~~

30.29 (2) ~~prepares a return or claim for refund of the employer, or an officer or employee of~~  
30.30 ~~the employer, by whom the individual is regularly and continuously employed;~~

30.31 (3) ~~prepares a return or claim for refund of any person as a fiduciary for that person; or~~

31.1 ~~(4) prepares a claim for refund for a taxpayer in response to a tax order issued to the~~  
 31.2 ~~taxpayer. "tax preparer" or "preparer" has the meaning given in section 270C.445, subdivision~~  
 31.3 ~~2, paragraph (h).~~

31.4 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 31.5 31, 2017.

31.6 Sec. 20. Minnesota Statutes 2016, section 289A.60, subdivision 28, is amended to read:

31.7 ~~Subd. 28. **Preparer identification number.** Any Minnesota individual income tax return~~  
 31.8 ~~or claim for refund prepared by a "tax refund or return preparer" as defined in subdivision~~  
 31.9 ~~13, paragraph (f), shall bear the identification number the preparer is required to use federally~~  
 31.10 ~~under section 6109(a)(4) of the Internal Revenue Code. (a) Each of the following that is~~  
 31.11 ~~prepared by a tax preparer must include the tax preparer's tax identification number:~~

31.12 (1) a tax return required to be filed under this chapter;

31.13 (2) a claim filed under section 290.0677, subdivision 1, or chapter 290A; and

31.14 (3) a claim for refund of an overpayment.

31.15 (b) A tax preparer is not required to include their preparer tax identification number on  
 31.16 a filing if the number is not required in the forms or filing requirements provided by the  
 31.17 commissioner.

31.18 (c) A tax refund or return preparer who prepares a Minnesota individual income tax  
 31.19 return or claim for refund and fails to include the required preparer tax identification number  
 31.20 on the return or claim as required by this section is subject to a penalty of \$50 for each  
 31.21 failure.

31.22 (d) A tax preparer who fails to include the preparer tax identification number as required  
 31.23 by this section, and who is required to have a valid preparer tax identification number issued  
 31.24 under section 6109(a)(4) of the Internal Revenue Code, but does not have one, is subject to  
 31.25 a \$500 penalty for each failure. A tax preparer subject to the penalty in this paragraph is  
 31.26 not subject to the penalty in paragraph (c).

31.27 (e) For the purposes of this subdivision, "tax preparer" has the meaning given in section  
 31.28 270C.445, subdivision 2, paragraph (h), and "preparer tax identification number" means  
 31.29 the number the tax preparer is required to use federally under section 6109(a)(4) of the  
 31.30 Internal Revenue Code.

31.31 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 31.32 31, 2017.

32.1 Sec. 21. **REVISOR'S INSTRUCTION.**

32.2 (a) The revisor of statutes shall renumber the provisions of Minnesota Statutes listed in  
 32.3 column A to the references listed in column B.

32.4	<u>Column A</u>	<u>Column B</u>
32.5	<u>270C.445, subdivision 3a</u>	<u>270C.4451, subdivision 1</u>
32.6	<u>270C.445, subdivision 4</u>	<u>270C.4451, subdivision 2</u>
32.7	<u>270C.445, subdivision 4a</u>	<u>270C.4451, subdivision 3</u>
32.8	<u>270C.445, subdivision 4b</u>	<u>270C.4451, subdivision 4</u>
32.9	<u>270C.445, subdivision 5b</u>	<u>270C.4451, subdivision 5</u>

32.10 (b) The revisor shall make necessary cross-reference changes in Minnesota Statutes and  
 32.11 Minnesota Rules consistent with the renumbering of Minnesota Statutes, section 270C.445,  
 32.12 subdivisions 3a, 4, 4a, 4b, and 5b.

32.13 (c) The revisor shall publish the statutory derivations of the laws renumbered in this act  
 32.14 in Laws of Minnesota and report the derivations in Minnesota Statutes.

32.15 (d) If Minnesota Statutes, section 270C.445, subdivisions 3a, 4, 4a, 4b, and 5b, are further  
 32.16 amended in the 2017 legislative session, the revisor shall codify the amendments in a manner  
 32.17 consistent with this act. The revisor may make necessary changes to sentence structure to  
 32.18 preserve the meaning of the text.

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

32.20 Sec. 22. **REPEALER.**

32.21 Minnesota Statutes 2016, sections 270C.445, subdivision 1; and 270C.447, subdivision  
 32.22 4, are repealed.

32.23 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December  
 32.24 31, 2017.

APPENDIX  
Article locations in SF1218-1

ARTICLE 1	PROPERTY TAX AND LOCAL GOVERNMENT AIDS.....	Page.Ln 1.16
ARTICLE 2	SALES AND USE, AND SPECIAL TAXES.....	Page.Ln 10.28
ARTICLE 3	PAID PREPARERS.....	Page.Ln 15.8

**270.074 VALUATION OF FLIGHT PROPERTY; METHODS OF APPORTIONMENT;  
RATIO OF TAX.**

Subd. 2. **Other apportionment methods.** The method prescribed by subdivision 1 shall be presumed to determine fairly and correctly the value of the flight property of an airline allocable to this state. Any airline aggrieved by the valuation of the flight property or the application to its case of the apportionment methods prescribed by subdivision 1, may petition the commissioner for determination of the valuation or the apportionment thereof to this state by the use of some other method. Thereupon, if the commissioner finds that the application of the methods prescribed by subdivision 1 will be unjust to the airline, the commissioner may allow the use of the methods so petitioned for by the airline, or may determine the valuation or apportionment thereof by other methods if satisfied that such other methods will fairly reflect such valuation or apportionment thereof.

**270C.445 TAX PREPARATION SERVICES.**

Subdivision 1. **Scope.** This section applies to a person who provides tax preparation services, except:

- (1) a person who provides tax preparation services for fewer than ten clients in a calendar year;
- (2) a person who provides tax preparation services only to immediate family members. For the purposes of this section, "immediate family members" means a spouse, parent, grandparent, child, or sibling;
- (3) an employee who prepares a tax return for an employer's business;
- (4) any fiduciary, or the regular employees of a fiduciary, while acting on behalf of the fiduciary estate, testator, trustor, grantor, or beneficiaries of them; and
- (5) nonprofit organizations providing tax preparation services under the Internal Revenue Service Volunteer Income Tax Assistance Program or Tax Counseling for the Elderly Program.

**270C.447 LEGAL ACTION TO ENJOIN TAX RETURN PREPARER.**

Subd. 4. **Tax return preparer.** For purposes of this section, the term "tax return preparer" means an individual who prepares for compensation, or who employs one or more individuals to prepare for compensation, a return of tax or a claim for refund of tax. The preparation of a substantial part of a return or claim for refund is treated as if it were the preparation of the entire return or claim for refund. An individual is not considered a tax return preparer merely because the individual:

- (1) gives typing, reproducing, or other mechanical assistance;
- (2) prepares a return or claim for refund of the employer, or an officer or employee of the employer, by whom the individual is regularly and continuously employed;
- (3) prepares a return or claim for refund of any person as a fiduciary for that person; or
- (4) prepares a claim for refund for a taxpayer in response to a tax order issued to the taxpayer.