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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 2454

03/20/2017 Authored by Anderson, S., The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; individual income; requiring the commissioner of revenue to
1.3 implement a free electronic filing system for individual income tax returns;
1.4 requiring reports; proposing coding for new law in Minnesota Statutes, chapter
1.5 270C.

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

1.7 Section 1. [270C.303] FREE ELECTRONIC FILING OF INDIVIDUAL INCOME
1.8 TAX RETURNS.

1.9 (a) The commissioner must develop and implement a system for the secure electronic
1.10 filing of individual income tax returns and payment of individual income tax liabilities on
1.11 the department's Web site at no cost. The system must allow for filing of individual returns
1.12 by individuals and also by tax preparers.

1.13 (b) The system must automatically populate returns with taxpayer data available to the
1.14 commissioner including but not limited to wage data received from one or more employers,
1.15 state income tax withheld by one or more employers, and additional taxes owed to the state
1.16 or refund owed to the taxpayer.

1.17 (c) The system must be available:

1.18 (1) by January 15, 2019, for the filing and payment of tax year 2018 individual income
1.19 taxes of filers with income only from wages, fewer than five dependents, and federal adjusted
1.20 gross income less than \$200,000 for married couples filing joint returns, and less than
1.21 \$100,000 for all other filers; and

1.22 (2) by January 15, 2020, for the filing and payment of tax year 2019 individual income
1.23 taxes of filers with income only from wages, Social Security benefits, interest, dividends,

2.1 individual retirement account distributions and pensions, fewer than five dependents, and
2.2 federal adjusted gross income less than \$200,000 for married couples filing joint returns,
2.3 and less than \$100,000 for all other filers.

2.4 (d) For purposes of this section, "federal adjusted gross income" has the meaning given
2.5 in section 62 of the Internal Revenue Code. Other terms have the meanings given in chapter
2.6 290.

2.7 (e) By September 15 of each year, beginning in 2019, the commissioner must provide
2.8 a report to the committees of the house of representatives and senate with jurisdiction over
2.9 taxes, in compliance with sections 3.195 and 3.197. The report must include statistics on
2.10 usage of the free electronic filing system required in this section; ways in which the
2.11 commissioner could expand the system, including draft legislation if needed for system
2.12 expansion; and any other information the commissioner considers relevant.

2.13 **Sec. 2. FREE ELECTRONIC FILING OF INDIVIDUAL INCOME TAX RETURNS;**
2.14 **PILOT PROGRAM.**

2.15 (a) The commissioner must conduct a pilot program to test the free electronic filing
2.16 requirement in Minnesota Statutes, section 270C.303. The pilot program must operate at
2.17 least three taxpayer assistance sites that receive grants under Minnesota Statutes, section
2.18 270C.21. At least one of the pilot program sites must be in the seven-county metropolitan
2.19 area, and at least one must be in greater Minnesota. The pilot program system must be
2.20 available by January 15, 2018, for the filing and payment of tax year 2017 individual income
2.21 taxes of filers with income only from wages, fewer than five dependents, and federal adjusted
2.22 gross income less than \$200,000 for married couples filing joint returns, and less than
2.23 \$100,000 for all other filers.

2.24 (b) The system must automatically populate returns with taxpayer data available to the
2.25 commissioner including but not limited to W-2 data on wages and state income tax
2.26 withholding.

2.27 (c) For purposes of this section, "federal adjusted gross income" has the meaning given
2.28 in section 62 of the Internal Revenue Code. Other terms have the meanings given in
2.29 Minnesota Statutes, chapter 290.

2.30 (d) By August 15, 2018, the commissioner must report final statistics on usage of the
2.31 pilot program and on plans to implement tax year 2018 electronic filing as required in
2.32 Minnesota Statutes, section 270C.303. The report must comply with the requirements of
2.33 Minnesota Statutes, sections 3.195 and 3.197.