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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 251

01/11/2023

Authored by Quam

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

1.1 A bill for an act  
1.2 relating to transportation; taxation; establishing a reserve account for Department  
1.3 of Transportation projects approved by the legislature; establishing a transportation  
1.4 projects reserve account tax checkoff; appropriating money; amending Minnesota  
1.5 Statutes 2022, section 270C.445, by adding a subdivision; proposing coding for  
1.6 new law in Minnesota Statutes, chapters 174; 290.

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

1.8 Section 1. [174.565] TRANSPORTATION PROJECTS RESERVE ACCOUNT.

1.9 A transportation projects reserve account is established in the special revenue fund. The  
1.10 account consists of funds as provided by law and any other money donated, allotted,  
1.11 transferred, or otherwise provided to the account, excluding bond proceeds authorized by  
1.12 articles XI and XIV of the Minnesota Constitution. To the extent funds are available, money  
1.13 in the account is appropriated to the Department of Transportation for transportation projects  
1.14 that have been approved by the legislature, that are underway, and whose costs are not  
1.15 adequately funded by existing appropriations.

1.16 Sec. 2. Minnesota Statutes 2022, section 270C.445, is amended by adding a subdivision  
1.17 to read:

1.18 Subd. 5c. **Transportation projects reserve account checkoff.** A tax preparer must give  
1.19 written notice of the option to contribute to the transportation projects reserve account under  
1.20 section 174.565 to corporate clients that file an income tax return and to individual clients  
1.21 who file an income tax return or property tax refund claim form. This notification must be  
1.22 included with information sent to the client at the same time as the preliminary worksheets

2.1 or other documents used in preparing the client's return and must include a line for displaying  
 2.2 contributions.

2.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 2.4 31, 2022.

2.5 Sec. 3. **[290.433] TRANSPORTATION PROJECTS RESERVE ACCOUNT**  
 2.6 **CHECKOFF.**

2.7 (a) An individual who files an income tax return or property tax refund claim form, or  
 2.8 a corporation that files an income tax return, may designate on the filer's original return that  
 2.9 \$10 or more shall be added to the tax or deducted from the refund that would otherwise be  
 2.10 payable by or to that individual or corporation and paid into the transportation projects  
 2.11 reserve account under section 174.565. The commissioner of revenue shall, on the income  
 2.12 tax return and the property tax refund claim form, notify filers of their right to designate  
 2.13 that a portion of their tax or refund shall be paid into the transportation projects reserve  
 2.14 account. The sum of the amounts so designated to be paid shall be credited to the  
 2.15 transportation projects reserve account for use by the Department of Transportation in  
 2.16 accordance with section 174.565. All interest earned on money accrued, contributions to  
 2.17 the account, and reimbursement of expenditures must be credited to the account by the  
 2.18 commissioner of management and budget. The amounts contributed to the account do not  
 2.19 lapse or cancel each year but remain until appropriated to the Department of Transportation  
 2.20 under section 174.565.

2.21 (b) The state pledges and agrees with all contributors under this section to the  
 2.22 transportation projects reserve account to use the funds contributed solely to fund the  
 2.23 transportation projects reserve account and further agrees that it will not impose additional  
 2.24 conditions or restrictions that will limit or otherwise restrict the ability of the Department  
 2.25 of Transportation to use the available funds for authorized transportation projects.

2.26 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 2.27 31, 2022.

2.28 Sec. 4. **APPROPRIATION; TRANSPORTATION PROJECTS RESERVE**  
 2.29 **ACCOUNT.**

2.30 \$10,000,000 in fiscal year 2024 and \$10,000,000 in fiscal year 2025 are appropriated  
 2.31 from the general fund to the transportation projects reserve account under Minnesota Statutes,  
 2.32 section 174.565.