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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 1227

02/14/2017 Authored by Davids
The bill was read for the first time and referred to the Committee on Taxes
03/29/2017 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

A bill for an act

1.1 relating to taxation; making policy changes to corporate franchise taxes, property
1.2 taxes, local government aids, sales and use taxes, special taxes, paid preparers,
1.3 and other taxes and tax provisions; amending Minnesota Statutes 2016, sections
1.4 84.82, subdivision 10; 84.922, subdivision 11; 86B.401, subdivision 12; 270.074,
1.5 subdivision 1; 270B.14, by adding subdivisions; 270C.445, subdivisions 2, 3, 5a,
1.6 6, 6a, 6b, 6c, 7, 8, by adding a subdivision; 270C.446, subdivisions 2, 3, 4, 5;
1.7 270C.447, subdivisions 1, 2, 3, by adding a subdivision; 272.025, subdivision 1;
1.8 272.0295, by adding a subdivision; 272.115, subdivisions 1, 2, 3; 273.124,
1.9 subdivisions 13, 13d; 274.014, subdivision 3; 274.135, subdivision 3; 289A.50,
1.10 subdivision 2a; 289A.60, subdivisions 13, 28; 296A.01, subdivision 7; 297B.07;
1.11 297L.30, subdivision 7; proposing coding for new law in Minnesota Statutes,
1.12 chapter 297A; repealing Minnesota Statutes 2016, sections 270.074, subdivision
1.13 2; 270C.445, subdivision 1; 270C.447, subdivision 4; Minnesota Rules, part
1.14 8125.1300, subpart 3.
1.15

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

1.17 ARTICLE 1

1.18 DEPARTMENT OF REVENUE PROPERTY TAX AND LOCAL GOVERNMENT
1.19 AID POLICY PROVISIONS

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

1.21 Subdivision 1. Valuation. The commissioner shall determine the market valuation of
1.22 all flight property operated or used by every airline company in air commerce in this state.
1.23 The valuation apportioned to this state of such flight property shall be the proportion of the
1.24 total valuation thereof determined on the basis of the total of the following percentages:

1.25 (1) 33-1/3 percent of the percentage which the total tonnage of passengers, express and
1.26 freight first received by the airline company in this state during the preceding calendar year
1.27 plus the total tonnage of passengers, express and freight finally discharged by it within this
1.28 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 273.124, subdivision 13, is amended to read:

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

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

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

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

5.23 Owners or spouses occupying residences owned by their spouses and previously occupied
5.24 with the other spouse, either of whom fail to include the other spouse's name and Social
5.25 Security number on the homestead application or provide the affidavits or other proof
5.26 requested, will be deemed to have elected to receive only partial homestead treatment of
5.27 their residence. The remainder of the residence will be classified as nonhomestead residential.
5.28 When an owner or spouse's name and Social Security number appear on homestead
5.29 applications for two separate residences and only one application is signed, the owner or
5.30 spouse will be deemed to have elected to homestead the residence for which the application
5.31 was signed.

5.32 (d) If residential real estate is occupied and used for purposes of a homestead by a relative
5.33 of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for

6.1 the property to receive homestead status, a homestead application must be filed with the
6.2 assessor. The Social Security number of each relative occupying the property and the name
6.3 and Social Security number of the spouse of a relative occupying the property shall be
6.4 required on the homestead application filed under this subdivision. If a different relative of
6.5 the owner subsequently occupies the property, the owner of the property must notify the
6.6 assessor within 30 days of the change in occupancy. The Social Security number of a relative
6.7 occupying the property or relative's the spouse of a relative occupying the property is private
6.8 data on individuals as defined by section 13.02, subdivision 12, but may be disclosed to the
6.9 commissioner of revenue, or, for the purposes of proceeding under the Revenue Recapture
6.10 Act to recover personal property taxes owing, to the county treasurer.

6.11 (e) The homestead application shall also notify the property owners that if the property
6.12 is granted homestead status for any assessment year, that same property shall remain
6.13 classified as homestead until the property is sold or transferred to another person, or the
6.14 owners, the spouse of the owner, or the relatives no longer use the property as their
6.15 homestead. Upon the sale or transfer of the homestead property, a certificate of value must
6.16 be timely filed with the county auditor as provided under section 272.115. Failure to notify
6.17 the assessor within 30 days that the property has been sold, transferred, or that the owner,
6.18 the spouse of the owner, or the relative is no longer occupying the property as a homestead,
6.19 shall result in the penalty provided under this subdivision and the property will lose its
6.20 current homestead status.

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

6.25 **EFFECTIVE DATE.** This section is effective for applications for homestead filed in
6.26 2018 and thereafter.

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

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

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

7.1 (2) the name and Social Security number of each occupant of homestead property who
7.2 is the property owner, ~~property owner's spouse, or~~ qualifying relative of a property owner,
7.3 and the spouse of the property owner who occupies homestead property or spouse of a
7.4 qualifying relative of a property owner who occupies homestead property;

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

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

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

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

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

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

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

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

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

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

7.24 **EFFECTIVE DATE.** This section is effective for applications for homestead filed in
7.25 2018 and thereafter.

7.26 Sec. 9. Minnesota Statutes 2016, section 274.014, subdivision 3, is amended to read:

7.27 Subd. 3. **Proof of compliance; transfer of duties.** (a) Any city or town that conducts
7.28 local boards of appeal and equalization meetings must ~~provide proof to the county assessor~~
7.29 ~~by February 1 that it is in compliance~~ comply with the training requirements of subdivision
7.30 2 by February 1, by having at least one member who has attended an appeals and equalization
7.31 course described in subdivision 2 within the last four years. ~~This notice must also verify~~

8.1 ~~that there was a quorum of voting members at each meeting of the board of appeal and~~
8.2 ~~equalization in the previous year.~~ A city or town that does not comply with these requirements
8.3 is deemed to have transferred its board of appeal and equalization powers to the county for
8.4 a minimum of two assessment years, beginning with the current year's assessment and
8.5 continuing thereafter unless the powers are reinstated under paragraph (c).

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

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

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

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

8.21 Sec. 10. Minnesota Statutes 2016, section 274.135, subdivision 3, is amended to read:

8.22 Subd. 3. **Proof of compliance; transfer of duties.** (a) Any county that conducts county
8.23 boards of appeal and equalization meetings must ~~provide proof to the commissioner by~~
8.24 ~~December 1, 2009, and each year thereafter, that it is in compliance~~ comply with the training
8.25 requirements of subdivision 2 by February 1, by having at least one member who has attended
8.26 an appeals and equalization course described in subdivision 2 within the last four years.
8.27 ~~Beginning in 2009, this notice must also verify that there was a quorum of voting members~~
8.28 ~~at each meeting of the board of appeal and equalization in the current year.~~ A county that
8.29 does not comply with these requirements is deemed to have transferred its board of appeal
8.30 and equalization powers to the special board of equalization appointed pursuant to section
8.31 274.13, subdivision 2, for a minimum of two assessment years, beginning with the following
8.32 year's assessment and continuing thereafter unless the powers are reinstated under paragraph
8.33 (c). A county that does not comply with the requirements of subdivision 2 and has not

9.1 appointed a special board of equalization shall appoint a special board of equalization before
9.2 the following year's assessment.

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

9.9 (c) A county board whose powers are transferred to the special board of equalization
9.10 under this subdivision may be reinstated by resolution of the county board and upon proof
9.11 of compliance with the requirements of subdivision 2. The resolution and proofs must be
9.12 provided to the commissioner by December 1 in order to be effective for the following
9.13 year's assessment.

9.14 (d) If a person who was entitled to appeal to the county board of appeal and equalization
9.15 or to the county special board of equalization is not able to do so in a particular year because
9.16 the county board or special board did not meet the quorum and training requirements in this
9.17 section and section 274.13, or because the special board was not appointed, that person may
9.18 instead appeal to the commissioner of revenue, provided that the appeal is received by the
9.19 commissioner prior to August 1. The appeal is not subject to either chapter 14 or section
9.20 270C.92. The commissioner must issue an appropriate order to the county assessor in
9.21 response to each timely appeal, either upholding or changing the valuation or classification
9.22 of the property. Prior to October 1 of each year, the commissioner must charge and bill the
9.23 county where the property is located \$500 for each tax parcel covered by an order issued
9.24 under this paragraph in that year. Amounts received by the commissioner under this paragraph
9.25 must be deposited in the state's general fund. If payment of a billed amount is not received
9.26 by the commissioner before December 1 of the year when billed, the commissioner must
9.27 deduct that unpaid amount from any state aid the commissioner would otherwise pay to the
9.28 county under chapter 477A in the next year. Late payments may either be returned to the
9.29 county uncashed and undeposited or may be accepted. If a late payment is accepted, the
9.30 state aid paid to the county under chapter 477A must be adjusted within 12 months to
9.31 eliminate any reduction that occurred because the payment was late. Amounts needed to
9.32 make these adjustments are included in the appropriation under section 477A.03, subdivision
9.33 2.

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

10.1 Sec. 11. **REPEALER.**

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

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

10.4 **ARTICLE 2**

10.5 **DEPARTMENT OF REVENUE SALES AND USE, AND SPECIAL TAXES POLICY**
10.6 **PROVISIONS**

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

10.8 Subd. 10. **Proof of sales tax payment; collection and refund.** (a) A person applying
10.9 for initial registration of a snowmobile must provide a ~~snowmobile purchaser's certificate,~~
10.10 ~~showing a complete description of the snowmobile, the seller's name and address, the full~~
10.11 ~~purchase price of the snowmobile, and the trade-in allowance, if any. The certificate must~~
10.12 ~~include information showing either~~ receipt, invoice, or other document to prove that:

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

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

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

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

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

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

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

10.27 **EFFECTIVE DATE.** This section is effective for snowmobiles registered after June
10.28 30, 2017.

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

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

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

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

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

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

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

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

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

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

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

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

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

11.29 (2) the purchase was exempt from tax under chapter 297A. ~~The commissioner of public~~
11.30 ~~safety, in consultation with the commissioner and the commissioner of revenue, shall~~

12.1 ~~prescribe the form of the certificate. The certificate is not required if the applicant provides~~
12.2 ~~a receipt, invoice, or other document that shows; or~~

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

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

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

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

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

12.12 **EFFECTIVE DATE.** This section is effective for watercraft licensed after June 30,
12.13 2017.

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

12.16 Subd. 20. **Department of Natural Resources; authorized deputy registrars of motor**
12.17 **vehicles.** The commissioner may disclose return information related to the taxes imposed
12.18 by chapter 297A to the Department of Natural Resources or an authorized deputy registrar
12.19 of motor vehicles only:

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

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

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

13.1 Sec. 5. Minnesota Statutes 2016, section 270B.14, is amended by adding a subdivision to
13.2 read:

13.3 Subd. 21. **Department of Transportation.** The commissioner may disclose return
13.4 information related to the taxes imposed by chapter 297A to the Department of Transportation
13.5 only:

13.6 (1) if the commissioner has an agreement with the commissioner of transportation under
13.7 section 297A.82, subdivision 7; and

13.8 (2) to the extent necessary for the Department of Transportation, as agent for the
13.9 commissioner, to verify that the applicable sales or use tax has been paid or that a sales tax
13.10 exemption applies on the lease, purchase, or sale of an aircraft by an individual or business
13.11 who owns and operates the aircraft that must be registered or licensed in Minnesota under
13.12 section 360.018, and to otherwise administer section 297A.82, regarding the collection of
13.13 tax by the Department of Transportation.

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

13.15 Sec. 6. Minnesota Statutes 2016, section 289A.50, subdivision 2a, is amended to read:

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

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

13.21 (2) either

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

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

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

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

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

14.1 Sec. 7. Minnesota Statutes 2016, section 296A.01, subdivision 7, is amended to read:

14.2 Subd. 7. **Aviation gasoline.** "Aviation gasoline" means any gasoline that is ~~capable of~~
14.3 ~~use for the purpose of producing or generating~~ used to produce or generate power for
14.4 propelling internal combustion engine aircraft, ~~that meets the specifications in ASTM~~
14.5 ~~specification D910-11, and that either:~~

14.6 ~~(1) is~~ Aviation gasoline includes any such gasoline invoiced and billed by a producer,
14.7 manufacturer, refiner, or blender to a distributor or dealer, by a distributor to a dealer or
14.8 consumer, or by a dealer to consumer, as "aviation gasoline"; ~~or that meets specifications~~
14.9 in ASTM specification D910-16 or any other ASTM specification as gasoline appropriate
14.10 for use in producing or generating power for propelling internal combustion engine aircraft.

14.11 ~~(2) whether or not invoiced and billed as provided in clause (1), is received, sold, stored,~~
14.12 ~~or withdrawn from storage by any person, to be used for the purpose of producing or~~
14.13 ~~generating power for propelling internal combustion engine aircraft.~~

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

14.15 Sec. 8. **[297A.825] SNOWMOBILES; ALL-TERRAIN VEHICLES; WATERCRAFT;**
14.16 **PAYMENT OF TAXES; REFUNDS.**

14.17 Subdivision 1. **Agreement with commissioners of natural resources and public**
14.18 **safety; collection and refunds.** The commissioner may enter into an agreement with the
14.19 commissioner of natural resources, in consultation with the commissioner of public safety,
14.20 that provides that:

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

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

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

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

14.28 (iv) the item was purchased from a retailer that is maintaining a place of business in this
14.29 state as defined in section 297A.66, subdivision 1, and is a dealer as defined in section
14.30 84.81, subdivision 10; 84.92, subdivision 3; or 86B.005, subdivision 4; and

14.31 (2) the commissioner of natural resources and authorized deputy registrars of motor
14.32 vehicles are authorized to issue refunds of use tax paid to them in error, meaning that either

15.1 the sales or use tax had already been paid or that the purchase was exempt from tax under
15.2 this chapter.

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

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

15.8 Sec. 9. Minnesota Statutes 2016, section 297B.07, is amended to read:

15.9 **297B.07 PRESUMPTIONS.**

15.10 Subdivision 1. **Presumption; sale and registration.** For the purpose of the proper
15.11 administration of ~~Laws 1971, chapter 853~~ this chapter, and to prevent evasion of the tax,
15.12 the following presumptions shall apply:

15.13 (a) Evidence that a motor vehicle was sold for delivery in this state shall be prima facie
15.14 evidence that it was sold for use in this state.

15.15 (b) When an application for registration plates for a motor vehicle is received by the
15.16 motor vehicle registrar within 30 days of the date it was purchased or acquired by the
15.17 purchaser, it shall be presumed, until the contrary is shown by the purchaser, that it was
15.18 purchased or acquired for use in this state. This presumption shall apply whether or not such
15.19 vehicle was previously titled or registered in another state.

15.20 Subd. 2. **Presumption; ownership.** (a) When a business entity not organized under the
15.21 laws of this state owns a motor vehicle that is under the control of a Minnesota resident, it
15.22 is presumed that the Minnesota resident is the owner of the motor vehicle if two or more
15.23 of the following are true:

15.24 (1) the business entity lacks a specific business activity or purpose other than the
15.25 avoidance of tax;

15.26 (2) the business entity maintains no physical location in the jurisdiction where it is
15.27 organized;

15.28 (3) the business entity earns de minimis or no revenue;

15.29 (4) the business entity maintains minimal or no business records;

15.30 (5) the business entity fails to employ individual persons and provide those persons with
15.31 federal income tax W-2 wage and tax statements; or

16.1 (6) the business entity fails to file federal income tax returns or fails to file a required
16.2 state tax return where it is organized.

16.3 (b) For purposes of this subdivision, a motor vehicle is under the control of a Minnesota
16.4 resident if the Minnesota resident:

16.5 (1) is a partner, member, or shareholder of the business entity;

16.6 (2) is insured to drive the vehicle; and

16.7 (3) operates or stores the vehicle in Minnesota for any period of time.

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

16.9 Sec. 10. Minnesota Statutes 2016, section 297I.30, subdivision 7, is amended to read:

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

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

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

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

16.20 Sec. 11. **REPEALER.**

16.21 Minnesota Rules, part 8125.1300, subpart 3, is repealed.

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

16.23 **ARTICLE 3**

16.24 **DEPARTMENT OF REVENUE PAID PREPARER POLICY PROVISIONS**

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

16.26 Subd. 2. **Definitions.** (a) For purposes of this section and sections 270C.4451 to
16.27 270C.447, the following terms have the meanings given.

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

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

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

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

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

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

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

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

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

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

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

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

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

17.26 ~~(3)~~ (4) facilitate the provision of a refund anticipation loans and loan or a refund
17.27 anticipation checks check.

17.28 ~~(i)~~ (h) "Tax preparer" or "preparer" means a person providing tax preparation services
17.29 subject to this section, except:

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

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

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

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

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

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

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

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

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

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

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

18.17 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
18.18 31, 2017.

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

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

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

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

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

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

18.29 ~~(4)~~ (5) fail or refuse to give a client a copy of any document requiring the client's signature
18.30 within a reasonable time after the client signs the document;

19.1 ~~(5)~~ (6) fail to retain for at least four years a copy of ~~individual income tax~~ a client's
19.2 returns;

19.3 ~~(6)~~ (7) fail to maintain a confidential relationship with clients or former clients;

19.4 ~~(7)~~ (8) fail to take commercially reasonable measures to safeguard a client's nonpublic
19.5 personal information;

19.6 ~~(8)~~ (9) make, authorize, publish, disseminate, circulate, or cause to make, either directly
19.7 or indirectly, any false, deceptive, or misleading statement or representation relating to or
19.8 in connection with the offering or provision of tax preparation services;

19.9 ~~(9)~~ (10) require a client to enter into a loan arrangement in order to complete a ~~tax~~ client's
19.10 return;

19.11 ~~(10)~~ (11) claim credits or deductions on a client's ~~tax~~ return for which the tax preparer
19.12 knows or reasonably should know the client does not qualify;

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

19.15 (13) engage in any conduct that is subject to a penalty under section 289A.60, subdivision
19.16 13, 20, 20a, 26, or 28;

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

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

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

19.23 ~~(11)~~ (17) charge, offer to accept, or accept a fee based upon a percentage of an anticipated
19.24 refund for tax preparation services;

19.25 ~~(12)~~ (18) under any circumstances, withhold or fail to return to a client a document
19.26 provided by the client for use in preparing the client's ~~tax~~ return;

19.27 ~~(13)~~ (19) establish an account in the preparer's name to receive a client's refund through
19.28 a direct deposit or any other instrument unless the client's name is also on the account,
19.29 except that a taxpayer may assign the portion of a refund representing the Minnesota
19.30 education credit available under section 290.0674 to a bank account without the client's
19.31 name, as provided under section 290.0679;

- 20.1 ~~(14)~~ (20) fail to act in the best interests of the client;
- 20.2 ~~(15)~~ (21) fail to safeguard and account for any money handled for the client;
- 20.3 ~~(16)~~ (22) fail to disclose all material facts of which the preparer has knowledge which
20.4 might reasonably affect the client's rights and interests;
- 20.5 ~~(17)~~ (23) violate any provision of section 332.37;
- 20.6 ~~(18)~~ (24) include any of the following in any document provided or signed in connection
20.7 with the provision of tax preparation services:
- 20.8 (i) a hold harmless clause;
- 20.9 (ii) a confession of judgment or a power of attorney to confess judgment against the
20.10 client or appear as the client in any judicial proceeding;
- 20.11 (iii) a waiver of the right to a jury trial, if applicable, in any action brought by or against
20.12 a debtor;
- 20.13 (iv) an assignment of or an order for payment of wages or other compensation for
20.14 services;
- 20.15 (v) a provision in which the client agrees not to assert any claim or defense otherwise
20.16 available;
- 20.17 (vi) a waiver of any provision of this section or a release of any obligation required to
20.18 be performed on the part of the tax preparer; or
- 20.19 (vii) a waiver of the right to injunctive, declaratory, or other equitable relief or relief on
20.20 a class basis; or
- 20.21 ~~(19)~~ (25) if making, providing, or facilitating a refund anticipation loan, fail to provide
20.22 all disclosures required by the federal Truth in Lending Act, United States Code, title 15,
20.23 in a form that may be retained by the client.

20.24 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
20.25 31, 2017.

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

20.27 Subd. 5a. **Nongame wildlife checkoff.** A tax preparer must give written notice of the
20.28 option to contribute to the nongame wildlife management account in section 290.431 to
20.29 corporate clients that file an income tax return and to individual clients who file an income
20.30 tax return or ~~property tax refund claim form~~ under chapter 290A. This notification must be
20.31 included with information sent to the client at the same time as the preliminary worksheets

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

21.3 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
21.4 31, 2017.

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

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

21.18 (b) In addition to the penalty under paragraph (a), if the commissioner determines that
21.19 a tax preparer has violated subdivision 3 or 5, or section 270C.4451, the commissioner may
21.20 issue an administrative order to the tax preparer requiring the tax preparer to cease and
21.21 desist from committing the violation. The administrative order may include an administrative
21.22 penalty provided in paragraph (a).

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

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

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

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

21.31 (e) Within 30 days after the commissioner issues an administrative order under paragraph
21.32 (b), the tax preparer may request a hearing to review the commissioner's action. The request
21.33 for hearing must be made in writing and must be served on the commissioner at the address

22.1 specified in the order. The hearing request must specifically state the reasons for seeking
22.2 review of the order. The date on which a request for hearing is served by mail is the postmark
22.3 date on the envelope in which the request for hearing is mailed.

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

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

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

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

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

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

22.26 (l) The commissioner may impose an administrative penalty, in addition to the penalty
22.27 under paragraph (a), up to \$5,000 per violation of a cease and desist order issued under
22.28 paragraph (b). Imposition of a penalty under this paragraph is subject to the contested case
22.29 procedure under chapter 14. Within 30 days after the commissioner imposes a penalty under
22.30 this paragraph, the tax preparer assessed the penalty may request a hearing to review the
22.31 penalty order. The request for hearing must be made in writing and must be served on the
22.32 commissioner at the address specified in the order. The hearing request must specifically
22.33 state the reasons for seeking review of the order. The cease and desist order issued under
22.34 paragraph (b) is not subject to review in a proceeding to challenge the penalty order under

23.1 this paragraph. The date on which a request for hearing is served by mail is the postmark
23.2 date on the envelope in which the request for hearing is mailed. If the tax preparer does not
23.3 timely request a hearing, the penalty order becomes a final order of the commissioner and
23.4 is not subject to review by any court or agency. A penalty imposed by the commissioner
23.5 under this paragraph may be collected and enforced by the commissioner as an income tax
23.6 liability. There is no right to make a claim for refund under section 289A.50 of the penalty
23.7 imposed under this paragraph. A penalty imposed under this paragraph is public data.

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

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

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

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

23.19 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
23.20 31, 2017.

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

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

23.27 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
23.28 31, 2017.

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

23.30 Subd. 6b. **Exchange of data; Lawyers Board of Professional Responsibility.** The
23.31 Lawyers Board of Professional Responsibility may refer to the commissioner complaints
23.32 it receives about tax preparers who are not subject to its jurisdiction and who are alleged to

24.1 have violated the provisions of ~~subdivisions 3, 3a, 4, 4a, 4b, 5, and 5b~~ this section, except
24.2 subdivision 5a, or section 270C.4451.

24.3 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
24.4 31, 2017.

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

24.6 Subd. 6c. **Exchange of data; commissioner.** The commissioner shall refer information
24.7 and complaints about tax preparers who are alleged to have violated the provisions of
24.8 subdivisions 3, 3a, 4, 4a, 4b, 5, and 5b this section, except subdivision 5a, or section
24.9 270C.4451, to:

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

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

24.13 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
24.14 31, 2017.

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

24.16 Subd. 7. **Enforcement; civil actions.** (a) Any violation of this section or section
24.17 270C.4451 is an unfair, deceptive, and unlawful trade practice within the meaning of section
24.18 8.31. An action taken under this section is in the public interest.

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

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

24.23 (1) actual damages;

24.24 (2) incidental and consequential damages;

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

24.28 (4) reasonable attorney fees;

24.29 (5) court costs; and

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

25.1 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
25.2 31, 2017.

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

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

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

25.8 (2) a registered accounting practitioner, a registered accounting practitioner firm, a
25.9 certified public accountant, or other person who is subject to the jurisdiction of the State
25.10 Board of Accountancy a certified public accountant firm, licensed in accordance with chapter
25.11 326A;

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

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

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

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

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

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

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

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

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

26.1 (ii) advancing frivolous or groundless arguments; or

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

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

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

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

26.8 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
26.9 31, 2017.

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

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

26.15 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
26.16 31, 2017.

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

26.18 **Subd. 2. Required and excluded tax preparers.** (a) Subject to the limitations of
26.19 paragraph (b), the commissioner must publish lists of tax preparers as defined in section
26.20 ~~289A.60, subdivision 13, paragraph (f)~~ 270C.445, subdivision 2, paragraph (h), who have
26.21 been:

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

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

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

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

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

27.1 (6) assessed a penalty under section 270C.445, subdivision 6, paragraph (1), for violating
 27.2 a cease and desist order.

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

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

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

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

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

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

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

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

27.20 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
 27.21 31, 2017.

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

27.23 Subd. 3. **Notice to tax preparer.** (a) At least 30 days before publishing the name of a
 27.24 tax preparer subject to penalty publication under this section, the commissioner shall mail
 27.25 a written notice to the tax preparer, detailing the amount and nature of each penalty basis
 27.26 for the publication and the intended publication of the information listed in subdivision 4
 27.27 related to the penalty. The notice must be mailed by first class and certified mail sent to the
 27.28 tax preparer addressed to the last known address of the tax preparer. The notice must include
 27.29 information regarding the exceptions listed in subdivision 2, paragraph (b), and must state
 27.30 that the tax preparer's information will not be published if the tax preparer provides
 27.31 information establishing that subdivision 2, paragraph (b), prohibits publication of the tax
 27.32 preparer's name.

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

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

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

28.8 Subd. 4. **Form of list.** The list may be published by any medium or method. The list
28.9 must contain the name, associated business name or names, address or addresses, and
28.10 violation or violations ~~for which a penalty was imposed of~~ that make each tax preparer
28.11 subject to ~~penalty~~ publication.

28.12 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
28.13 31, 2017.

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

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

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

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

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

28.24 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
28.25 31, 2017.

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

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

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

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

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

29.6 (3) Ramsey County District Court.

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

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

29.13 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
29.14 31, 2017.

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

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

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

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

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

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

29.27 ~~(4)~~ (5) engaged in any other fraudulent or deceptive conduct that substantially interferes
29.28 with the proper administration of a law administered by the commissioner, and injunctive
29.29 relief is appropriate to prevent the recurrence of that conduct;

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

30.1 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
30.2 31, 2017.

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

30.4 Subd. 3. **Injunction prohibiting all business activities.** If the court finds that a tax
30.5 ~~return~~ preparer has continually or repeatedly engaged in conduct described in subdivision
30.6 2, and that an injunction prohibiting that conduct would not be sufficient to prevent the
30.7 person's interference with the proper administration of a law administered by the
30.8 commissioner, the court may enjoin the person from acting as a tax ~~return~~ preparer. The
30.9 court may not enjoin the employer of a tax ~~return~~ preparer for conduct described in
30.10 subdivision 2 engaged in by one or more of the employer's employees unless the employer
30.11 was also actively involved in that conduct.

30.12 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
30.13 31, 2017.

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

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

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

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

30.27 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
30.28 31, 2017.

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

30.30 Subd. 13. **Penalties for tax ~~return~~ preparers.** (a) If an understatement of liability with
30.31 respect to a return or claim for refund is due to a reckless disregard of laws and rules or

31.1 willful attempt in any manner to understate the liability for a tax by a person who is a tax
31.2 ~~return~~ preparer with respect to the return or claim, the person shall pay to the commissioner
31.3 a penalty of \$500. If a part of a ~~property tax refund~~ claim filed under section 290.0677,
31.4 subdivision 1, or chapter 290A is excessive due to a reckless disregard or willful attempt
31.5 in any manner to overstate the claim ~~for relief allowed under chapter 290A~~ by a person who
31.6 is a tax ~~refund or return~~ preparer, the ~~person~~ tax preparer shall pay to the commissioner a
31.7 penalty of \$500 with respect to the claim. These penalties may not be assessed against the
31.8 employer of a tax ~~return~~ preparer unless the employer was actively involved in the reckless
31.9 disregard or willful attempt to understate the liability for a tax or to overstate the claim for
31.10 refund. These penalties are income tax liabilities and may be assessed at any time as provided
31.11 in section 289A.38, subdivision 5.

31.12 (b) A civil action in the name of the state of Minnesota may be commenced to enjoin
31.13 any person who is a tax ~~return~~ preparer doing business in this state as provided in section
31.14 270C.447.

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

31.19 (d) For purposes of this subdivision, the term "understatement of liability" means an
31.20 understatement of the net amount payable with respect to a tax imposed by state tax law,
31.21 or an overstatement of the net amount creditable or refundable with respect to a tax. The
31.22 determination of whether or not there is an understatement of liability must be made without
31.23 regard to any administrative or judicial action involving the taxpayer. For purposes of this
31.24 subdivision, the amount determined for underpayment of estimated tax under either section
31.25 289A.25 or 289A.26 is not considered an understatement of liability.

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

31.31 (f) For purposes of this section, the term ~~"tax refund or return preparer"~~ means an
31.32 ~~individual who prepares for compensation, or who employs one or more individuals to~~
31.33 ~~prepare for compensation, a return of tax, or a claim for refund of tax. The preparation of~~
31.34 ~~a substantial part of a return or claim for refund is treated as if it were the preparation of~~

32.1 ~~the entire return or claim for refund. An individual is not considered a tax return preparer~~
 32.2 ~~merely because the individual:~~

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

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

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

32.7 ~~(4) prepares a claim for refund for a taxpayer in response to a tax order issued to the~~
 32.8 ~~taxpayer. "tax preparer" or "preparer" has the meaning given in section 270C.445, subdivision~~
 32.9 ~~2, paragraph (h).~~

32.10 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
 32.11 31, 2017.

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

32.13 Subd. 28. **Preparer identification number.** Any Minnesota individual income tax return
 32.14 or claim for refund prepared by a "tax refund or return preparer" as defined in subdivision
 32.15 13, paragraph (f), shall bear the identification number the preparer is required to use federally
 32.16 under section 6109(a)(4) of the Internal Revenue Code. (a) Each of the following that is
 32.17 prepared by a tax preparer must include the tax preparer's tax identification number:

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

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

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

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

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

32.28 (d) A tax preparer who fails to include the preparer tax identification number as required
 32.29 by this section, and who is required to have a valid preparer tax identification number issued
 32.30 under section 6109(a)(4) of the Internal Revenue Code, but does not have one, is subject to

33.1 a \$500 penalty for each failure. A tax preparer subject to the penalty in this paragraph is
 33.2 not subject to the penalty in paragraph (c).

33.3 (e) For the purposes of this subdivision, "tax preparer" has the meaning given in section
 33.4 270C.445, subdivision 2, paragraph (h), and "preparer tax identification number" means
 33.5 the number the tax preparer is required to use federally under section 6109(a)(4) of the
 33.6 Internal Revenue Code.

33.7 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
 33.8 31, 2017.

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

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

<u>Column A</u>	<u>Column B</u>
<u>270C.445, subdivision 3a</u>	<u>270C.4451, subdivision 1</u>
<u>270C.445, subdivision 4</u>	<u>270C.4451, subdivision 2</u>
<u>270C.445, subdivision 4a</u>	<u>270C.4451, subdivision 3</u>
<u>270C.445, subdivision 4b</u>	<u>270C.4451, subdivision 4</u>
<u>270C.445, subdivision 5b</u>	<u>270C.4451, subdivision 5</u>

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

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

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

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

33.28 **Sec. 22. REPEALER.**

33.29 Minnesota Statutes 2016, sections 270C.445, subdivision 1; and 270C.447, subdivision
 33.30 4, are repealed.

- 34.1 **EFFECTIVE DATE.** This section is effective for claims and returns filed after December
- 34.2 31, 2017.

APPENDIX
Article locations in H1227-1

ARTICLE 1	DEPARTMENT OF REVENUE PROPERTY TAX AND LOCAL GOVERNMENT AID POLICY PROVISIONS	Page.Ln 1.17
ARTICLE 2	DEPARTMENT OF REVENUE SALES AND USE, AND SPECIAL TAXES POLICY PROVISIONS	Page.Ln 10.4
ARTICLE 3	DEPARTMENT OF REVENUE PAID PREPARER POLICY PROVISIONS	Page.Ln 16.23

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.

APPENDIX
Repealed Minnesota Rule: H1227-1

8125.1300 REFUNDS AND CREDITS.

Subp. 3. **Gasoline used in aircraft.** Refunds for gasoline, other than aviation gasoline, purchased and used to produce or generate power for propelling aircraft shall be issued only to those claimants who have received approval to use such gasoline from the Federal Aviation Administration as evidenced by a supplemental type certificate.