# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 3425

**(SENATE AUTHORS: MAYE QUADE, Mann, Westlin, Boldon and Clark)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 04/24/2025 | 3926 | Introduction and first reading<br>Referred to Taxes |

A bill for an act

relating to taxation; establishing an excise tax on certain social media platform businesses; proposing coding for new law in Minnesota Statutes, chapter 295.

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

Section 1. **[295.90] SOCIAL MEDIA GROSS RECEIPTS TAX.**

Subdivision 1. **Tax imposed.** A tax is imposed on the collection of consumer data by a social media platform business as provided under this section.

Subd. 2. **Rate of tax.** The tax is imposed on social media platform businesses based on the number of Minnesota social media platform users from whom a social media platform business collects data within a month:

| Minnesota consumers | Tax |
|---|---|
| Fewer than or equal to 100,000 | Zero |
| Over 100,000 but not more than 500,000 | $0.10 per month on the number of Minnesota consumers over 100,000 but not more than 500,000; |
| Over 500,000 but not more than 1,000,000 | $40,000 plus $0.25 per month on the number of Minnesota consumers over 500,000 but not more than 1,000,000; and |
| Over 1,000,000 | $165,000 plus $0.50 per month on the number of Minnesota consumers over 1,000,000. |

Subd. 3. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of revenue.

(c) "Consumer" means an individual who establishes an account on an app or website owned by a social media platform business whose consumer data is collected by the social media platform business, regardless of whether the individual is charged for establishing the account.

(d) "Consumer data" means any information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked with a consumer, whether directly submitted to the social media platform business by the consumer or derived from other sources.

(e) "Minnesota consumer" means a consumer who is a resident of Minnesota.

(f) "Resident" has the meaning given in section 290.01, subdivision 7.

(g) "Social media platform" has the meaning given in section 325M.31, paragraph (j).

(h) "Social media platform business" means a for-profit entity that operates a social media platform that engages, collects, maintains, uses, processes, sells, or shares consumer data in support of the entity's business activities and collects consumer data on more than 100,000 individual Minnesota consumers in a month within the calendar year.

Subd. 4. **Taxpayers.** (a) Until the contrary is established, it is presumed that a consumer whose information on record with or available to a social media platform business indicates a Minnesota home address, a Minnesota mailing address, or an internet protocol address connected with a Minnesota location is a Minnesota consumer for purposes of this section. The burden of proving that a consumer is not a Minnesota resident is on the social media platform business.

(b) A Minnesota consumer must be counted only once in the calculation of the monthly tax imposed on a social media platform business.

(c) Business entities that are part of a controlled group of corporations as defined in section 1563(a) of the Internal Revenue Code shall be treated as a single entity for purposes of meeting the definition of a social media platform business under this section.

(d) The single member of a single member limited liability company must be treated as a consumer under this section.

Subd. 5. **Credit against tax paid to another jurisdiction.** A social media platform business that has paid tax under this section may claim a credit against the tax paid with respect to a Minnesota consumer if another state imposes an excise tax identical to the tax imposed under this section with respect to the same consumer.

Subd. 6. **Record keeping.** A social media platform business shall maintain records as required by the commissioner.

Subd. 7. **Administration.** Unless specifically provided otherwise, the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions of chapters 270C and 289A that are applicable to taxes imposed under chapter 297A apply to the tax imposed under this section.

Subd. 8. **Returns; payment of tax.** (a) A social media platform business must report the tax on a return prescribed by the commissioner and must remit the tax in a form and manner prescribed by the commissioner. The return and the tax must be filed and paid using the filing cycle and due dates provided for taxes imposed under section 289A.20, subdivision 4, and chapter 297A.

(b) Interest must be paid on an overpayment refunded or credited to the taxpayer from the date of payment of the tax until the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the due date of the return or the date of actual payment of the tax, whichever is later.

Subd. 9. **Deposit of revenues.** The commissioner must deposit the revenues, including penalties and interest, derived from the tax imposed by this section to the general fund.

Subd. 10. **Personal debt.** The tax imposed by this section, and interest and penalties imposed with respect to it, are a personal debt of the person required to file a return from the time that the liability for it arises, irrespective of when the time for payment of the liability occurs. The debt must, in the case of a fiduciary, be that of the person in the person's official or fiduciary capacity only, unless the person has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person is personally liable for any deficiency.

**EFFECTIVE DATE.** This section is effective for consumer data collected after December 31, 2025.