

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 5195

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| DATE | D-PG | OFFICIAL STATUS |
|------------|------|-----------------------------------------------------|
| 04/22/2026 | 8963 | Introduction and first reading Referred to Taxes |

1.1 A bill for an act

1.2 relating to taxation; establishing a tax on certain individuals and organizations

1.3 convicted of and benefiting from fraud; proposing coding for new law in Minnesota

1.4 Statutes, chapter 295.

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

1.6 Section 1. 295.90 TAX ON AMOUNTS OBTAINED THROUGH FRAUD.

1.7 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have

1.8 the meanings given.

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

1.10 (c) "Fraud" means the intentional use of deceit or dishonest means of obtaining state

1.11 money from a state program or appropriation, excluding refunds for overpayment of taxes,

1.12 without regard to whether a conviction resulted.

1.13 Subd. 2. Tax imposed. (a) A tax equal to 100 percent is imposed on the amount obtained

1.14 by fraud:

1.15 (1) by any individual or organization convicted by a state or federal court of fraud;

1.16 (2) by any individual or organization that the commissioner has determined to be obtained

1.17 by fraud;

1.18 (3) by any individual or organization that receives compensation from an individual or

1.19 organization described in clause (1) in exchange for participating in the activity resulting

1.20 in a conviction of fraud; and

2.1 (4) by any individual or organization that receives compensation from an individual or
2.2 organization described in clause (2) in exchange for participating in activity that the
2.3 commissioner has determined to be obtained by fraud.

2.4 (b) The tax under this section applies regardless of any amount of restitution or penalty
2.5 imposed or paid by an individual or organization described in paragraph (a).

2.6 Subd. 3. **Role of commissioner.** (a) The commissioner, in consultation with federal,
2.7 state, or local law enforcement, or another federal or state agency, as applicable, must
2.8 investigate individuals and organizations that the commissioner reasonably believes have
2.9 engaged in fraud.

2.10 (b) The commissioner must establish the schedule for payment and means of enforcement
2.11 of the tax imposed under this section.

2.12 (c) The provisions of section 270C.35 apply to appeals of an order assessing the tax
2.13 imposed under this section.

2.14 Subd. 4. **Deposit of money.** (a) The commissioner must deposit the money collected
2.15 from the tax imposed under this section to the tax relief account. Money in the account must
2.16 be used only for income or property tax relief, or both, as determined by law.

2.17 (b) The tax relief account is established in the special revenue fund.

2.18 **EFFECTIVE DATE.** This section is effective retroactively for determinations of fraud
2.19 made after December 31, 2019.