

S.F. No. 857, as introduced - 87th Legislative Session (2011-2012) [11-2611]

2.1 1972. The data used for computing the loss to either state shall be determined on or before
2.2 September 30 of the year following the close of the previous calendar year.

2.3 (d) Interest is payable on all amounts calculated under paragraph (c) relating to
2.4 taxable years beginning after December 31, 2000 and before January 1, 2010. Interest
2.5 accrues from July 1 of the taxable year.

2.6 (e) The commissioner of revenue is authorized to enter into agreements reciprocity
2.7 agreement with the state of Wisconsin specifying must specify the compensation required
2.8 under paragraph (b), the one or more reciprocity payment due date, dates for the revenue
2.9 loss relating to each taxable year, with one or more estimated payment due dates in the
2.10 same fiscal year in which the revenue loss occurred, and a final payment in the following
2.11 fiscal year, conditions constituting delinquency, interest rates, and a method for computing
2.12 interest due. Interest is payable from July 1 of the taxable year on final payments made in
2.13 the following fiscal year. Calculation of compensation under the agreement must specify
2.14 if the revenue loss is determined before or after the allowance of each state's credit for
2.15 taxes paid to the other state.

2.16 ~~(e)~~ (f) If an agreement cannot be reached as to the amount of the loss, the
2.17 commissioner of revenue and the taxing official of the state of Wisconsin shall each
2.18 appoint a member of a board of arbitration and these members shall appoint the third
2.19 member of the board. The board shall select one of its members as chair. Such board may
2.20 administer oaths, take testimony, subpoena witnesses, and require their attendance, require
2.21 the production of books, papers and documents, and hold hearings at such places as are
2.22 deemed necessary. The board shall then make a determination as to the amount to be paid
2.23 the other state which determination shall be final and conclusive.

2.24 ~~(f)~~ (g) The commissioner may furnish copies of returns, reports, or other information
2.25 to the taxing official of the state of Wisconsin, a member of the board of arbitration, or a
2.26 consultant under joint contract with the states of Minnesota and Wisconsin for the purpose
2.27 of making a determination as to the amount to be paid the other state under the provisions
2.28 of this section. Prior to the release of any information under the provisions of this section,
2.29 the person to whom the information is to be released shall sign an agreement which
2.30 provides that the person will protect the confidentiality of the returns and information
2.31 revealed thereby to the extent that it is protected under the laws of the state of Minnesota.

2.32 (h) Any reciprocity agreement entered into under this section continues in effect
2.33 until terminated by Minnesota or Wisconsin law. The commissioner may agree to modify
2.34 the timing or method of calculating the state payments to be made under the agreement,
2.35 consistent with the requirements of paragraphs (c) and (e), but may not terminate the
2.36 agreement.

3.1 Subd. 2. **New reciprocity agreement with Wisconsin.** The commissioner of
3.2 revenue is directed to initiate negotiations with the secretary of revenue of Wisconsin,
3.3 with the objective of entering into an income tax reciprocity agreement effective for tax
3.4 years beginning after December 31, 2011. The agreement must satisfy the conditions of
3.5 subdivision 1, with one or more estimated payment due dates and a final payment due
3.6 date specified so that the state with a net revenue loss as a result of the agreement receives
3.7 estimated payments from the other state, in the same fiscal year as that in which the net
3.8 revenue loss occurred and a final payment with interest in the following fiscal year.

3.9 **EFFECTIVE DATE.** Subdivision 2 is effective the day following final enactment.
3.10 The changes to subdivision 1 are effective for taxable years beginning after December 31
3.11 of the year of the agreement, contingent upon agreement from the state of Wisconsin to a
3.12 reciprocity arrangement in which estimated payments are made in the same fiscal year in
3.13 which a change in revenue occurs, and a final payment is made in the following fiscal year.