State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1885

02/25/2014 Authored by Davnie and Rosenthal
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act

1.2 relating to taxation; sales and use; excise; increasing the tax remittance threshold
1.3 for vendors required to file accelerated June payments; amending Minnesota
1.4 Statutes 2012, sections 297F.09, subdivision 10; 297G.09, subdivision 9;
1.5 Minnesota Statutes 2013 Supplement, section 289A.20, subdivision 4.

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

1.7 Section 1. Minnesota Statutes 2013 Supplement, section 289A.20, subdivision 4,

1.8 is amended to read:

1.9 Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and

1.10 payable to the commissioner monthly on or before the 20th day of the month following the

1.11 month in which the taxable event occurred, or following another reporting period as the

1.12 commissioner prescribes or as allowed under section 289A.18, subdivision 4, paragraph

1.13 (f) or (g), except that use taxes due on an annual use tax return as provided under section

1.14 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

1.15 (b) A vendor having a liability of $120,000 $250,000 or more during a fiscal year

1.16 ending June 30 must remit the June liability for the next year in the following manner:

1.17 (1) Two business days before June 30 of the year, the vendor must remit 90 percent

1.18 of the estimated June liability to the commissioner.

1.19 (2) On or before August 20 of the year, the vendor must pay any additional amount

1.20 of tax not remitted in June.

1.21 (c) A vendor having a liability of:

1.22 (1) $10,000 or more, but less than $120,000 $250,000 during a fiscal year ending

1.23 June 30, 2013, and fiscal years thereafter, must remit by electronic means all liabilities

1.24 on returns due for periods beginning in all subsequent calendar years on or before the

1.25 20th day of the month following the month in which the taxable event occurred, or on

2.1   or before the 20th day of the month following the month in which the sale is reported

2.2   under section 289A.18, subdivision 4; or

2.3   (2) $120,000 $250,000 or more, during a fiscal year ending June 30, 2009 2013,

2.4   and fiscal years thereafter, must remit by electronic means all liabilities in the manner

2.5   provided in paragraph (a) on returns due for periods beginning in the subsequent calendar

2.6   year, except for 90 percent of the estimated June liability, which is due two business days

2.7   before June 30. The remaining amount of the June liability is due on August 20.

2.8   (d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's

2.9   religious beliefs from paying electronically shall be allowed to remit the payment by mail.

2.10   The filer must notify the commissioner of revenue of the intent to pay by mail before

2.11   doing so on a form prescribed by the commissioner. No extra fee may be charged to a

2.12   person making payment by mail under this paragraph. The payment must be postmarked

2.13   at least two business days before the due date for making the payment in order to be

2.14   considered paid on a timely basis.

2.15   **EFFECTIVE DATE.** This section is effective for taxes remitted after May 30, 2014.

2.16   Sec. 2. Minnesota Statutes 2012, section 297F.09, subdivision 10, is amended to read:

2.17   Subd. 10. **Accelerated tax payment; cigarette or tobacco products distributor.**

2.18   A cigarette or tobacco products distributor having a liability of $120,000 $250,000 or

2.19   more during a fiscal year ending June 30, shall remit the June liability for the next year

2.20   in the following manner:

2.21   (a) Two business days before June 30 of the year, the distributor shall remit the

2.22   actual May liability and 90 percent of the estimated June liability to the commissioner and

2.23   file the return in the form and manner prescribed by the commissioner.

2.24   (b) On or before August 18 of the year, the distributor shall submit a return showing

2.25   the actual June liability and pay any additional amount of tax not remitted in June. A

2.26   penalty is imposed equal to ten percent of the amount of June liability required to be paid

2.27   in June, less the amount remitted in June. However, the penalty is not imposed if the

2.28   amount remitted in June equals the lesser of:

2.29   (1) 90 percent of the actual June liability; or

2.30   (2) 90 percent of the preceding May's May liability.

2.31   **EFFECTIVE DATE.** This section is effective for taxes remitted after May 30, 2014.

2.32   Sec. 3. Minnesota Statutes 2012, section 297G.09, subdivision 9, is amended to read:

3.1   Subd. 9. **Accelerated tax payment; penalty.** A person liable for tax under this

3.2   chapter having a liability of ~~$120,000~~ $250,000 or more during a fiscal year ending June

3.3   30, shall remit the June liability for the next year in the following manner:

3.4   (a) Two business days before June 30 of the year, the taxpayer shall remit the actual

3.5   May liability and 90 percent of the estimated June liability to the commissioner and file

3.6   the return in the form and manner prescribed by the commissioner.

3.7   (b) On or before August 18 of the year, the taxpayer shall submit a return showing

3.8   the actual June liability and pay any additional amount of tax not remitted in June. A

3.9   penalty is imposed equal to ten percent of the amount of June liability required to be paid

3.10   in June less the amount remitted in June. However, the penalty is not imposed if the

3.11   amount remitted in June equals the lesser of:

3.12   (1) 90 percent of the actual June liability; or

3.13   (2) 90 percent of the preceding May liability.

3.14   **EFFECTIVE DATE.** This section is effective for taxes remitted after May 30, 2014.