

individual retirement account distributions and pensions, fewer than five dependents, and federal adjusted gross income less than \$200,000 for married couples filing joint returns, and less than \$100,000 for all other filers.

(d) For purposes of this section, "federal adjusted gross income" has the meaning given in section 62 of the Internal Revenue Code. Other terms have the meanings given in chapter 290.

(e) By September 15 of each year, beginning in 2019, the commissioner must provide a report to the committees of the house of representatives and senate with jurisdiction over taxes, in compliance with sections 3.195 and 3.197. The report must include statistics on usage of the free electronic filing system required in this section; ways in which the commissioner could expand the system, including draft legislation if needed for system expansion; and any other information the commissioner considers relevant.

Sec. 2. FREE ELECTRONIC FILING OF INDIVIDUAL INCOME TAX RETURNS; PILOT PROGRAM.

(a) The commissioner must conduct a pilot program to test the free electronic filing requirement in Minnesota Statutes, section 270C.303. The pilot program must operate at least three taxpayer assistance sites that receive grants under Minnesota Statutes, section 270C.21. At least one of the pilot program sites must be in the seven-county metropolitan area, and at least one must be in greater Minnesota. The pilot program system must be available by January 15, 2018, for the filing and payment of tax year 2017 individual income taxes of filers with income only from wages, fewer than five dependents, and federal adjusted gross income less than \$200,000 for married couples filing joint returns, and less than \$100,000 for all other filers.

(b) The system must automatically populate returns with taxpayer data available to the commissioner including but not limited to W-2 data on wages and state income tax withholding.

(c) For purposes of this section, "federal adjusted gross income" has the meaning given in section 62 of the Internal Revenue Code. Other terms have the meanings given in Minnesota Statutes, chapter 290.

(d) By August 15, 2018, the commissioner must report final statistics on usage of the pilot program and on plans to implement tax year 2018 electronic filing as required in Minnesota Statutes, section 270C.303. The report must comply with the requirements of Minnesota Statutes, sections 3.195 and 3.197.

3.1 Sec. 3. **FREE ELECTRONIC FILING OF INDIVIDUAL INCOME TAX RETURNS;**
3.2 **REPORT AND TIMELINE.**

3.3 (a) By February 15, 2018, the commissioner must provide a report to the committees of
3.4 the house of representatives and senate with jurisdiction over state government finance and
3.5 taxes on a timeline for implementing free electronic filing of individual income tax returns
3.6 for individuals and tax preparers, in compliance with Minnesota Statutes, sections 3.195
3.7 and 3.197.

3.8 (b) The report must include information on the status of the pilot program in section 2
3.9 and on plans to implement statewide filing for select returns as provided in Minnesota
3.10 Statutes, section 270C.303. The report must include a summary of free electronic filing
3.11 programs offered by the state of California and other states and any other information that
3.12 the commissioner considers relevant, and a timeline for implementing in Minnesota free
3.13 electronic filing for individuals and tax preparers to the same extent free filing is offered
3.14 by the state of California.

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