

State of Minnesota

H. F. No. **2800**

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; solid waste management; providing a collection allowance

1.3 for waste management service providers; amending Minnesota Statutes 2018,

1.4 sections 289A.20, subdivision 4; 297H.08; proposing coding for new law in

1.5 Minnesota Statutes, chapter 297H.

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

1.7 Section 1. Minnesota Statutes 2018, section 289A.20, subdivision 4, is amended to read:

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

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

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

1.11 commissioner prescribes or as allowed under section 289A.18, subdivision 4, paragraph (f)

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

1.13 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

1.14 (b) A vendor having a liability of \$250,000 or more during a fiscal year ending June 30

1.15 must remit the June liability for the next year in the following manner:

1.16 (1) Two business days before June 30 of the year, the vendor must remit 81.4 percent

1.17 of the estimated June liability to the commissioner.

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

1.19 tax not remitted in June.

1.20 (c) A vendor having a liability of:

1.21 (1) \$10,000 or more, but less than \$250,000 during a fiscal year ending June 30, 2013,

1.22 and fiscal years thereafter, must remit by electronic means all liabilities on returns due for

periods beginning in all subsequent calendar years on or before the 20th day of the month following the month in which the taxable event occurred, or on or before the 20th day of the month following the month in which the sale is reported under section 289A.18, subdivision 4; or

(2) \$250,000 or more, during a fiscal year ending June 30, 2013, and fiscal years thereafter, must remit by electronic means all liabilities in the manner provided in paragraph (a) on returns due for periods beginning in the subsequent calendar year, except for 81.4 percent of the estimated June liability, which is due two business days before June 30. The remaining amount of the June liability is due on August 20.

(d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's religious beliefs from paying electronically shall be allowed to remit the payment by mail. The filer must notify the commissioner of revenue of the intent to pay by mail before doing so on a form prescribed by the commissioner. No extra fee may be charged to a person making payment by mail under this paragraph. The payment must be postmarked at least two business days before the due date for making the payment in order to be considered paid on a timely basis.

(e) Taxpayers remitting taxes due under chapter 297H pursuant to this subdivision must only remit the net liability. For the purposes of this paragraph, "net liability" means the liability minus the amount of the collection allowance authorized under section 297H.081.

EFFECTIVE DATE. This section is effective for taxes imposed after June 30, 2019.

Sec. 2. Minnesota Statutes 2018, section 297H.08, is amended to read:

297H.08 PAYMENT; REPORTING.

(a) The waste management service provider, or a political subdivision specified in section 297H.02, subdivision 1, and section 297H.03, subdivision 1, shall report the tax on a return prescribed by the commissioner of revenue, and shall remit the tax, minus the collection allowance amount allowed to be retained under section 297H.081, with the return. The return and the tax must be filed using the filing cycle and due dates provided for taxes imposed under chapter 297A.

(b) The waste hauler or political subdivision that sells bags, stickers, or other indicia to vendors must report and remit the tax imposed by section 297H.02, subdivision 3, and section 297H.03, subdivision 3, minus the collection allowance amount allowed to be retained under section 297H.081, on a return prescribed by the commissioner of revenue,

and shall remit the tax with the return. The return and the tax must be filed using the filing cycle provided for taxes imposed under chapter 297A.

(c) Any partial payments received by waste management service providers for waste management services shall be prorated between the tax imposed under section 297H.02, 297H.03, or 297H.04 and the service.

EFFECTIVE DATE. This section is effective for taxes imposed after June 30, 2019.

Sec. 3. **[297H.081] COLLECTION ALLOWANCE.**

Subdivision 1. Eligibility. A waste management service provider, waste hauler, or political subdivision may retain a portion of the taxes collected under this chapter as an allowance in compensation for the costs of collecting and administering the taxes imposed on waste management services under this chapter. This section applies only if the tax minus the allowance is both reported and remitted to the commissioner in a timely fashion as required under chapter 289A.

Subd. 2. Tax not eligible for allowance. Use taxes paid by a generator or self-hauler are not included in calculating the allowance under this section.

Subd. 3. Calculation of allowance; maximum amounts. The amount of the collection allowance is equal to the sum of one-quarter of one percent of the tax collected in the reporting period, up to \$250. The collection allowance must not reduce the tax owed in the reporting period to less than zero.

EFFECTIVE DATE. This section is effective for taxes imposed after June 30, 2019.