

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 237

(SENATE AUTHORS: JENSEN, Rest, Anderson, P., Gazelka and Chamberlain)

DATE	D-PG	OFFICIAL STATUS
01/19/2017	364	Introduction and first reading Referred to Taxes

1.1 A bill for an act
1.2 relating to taxation; sales and use; providing a vendor allowance; amending
1.3 Minnesota Statutes 2016, sections 289A.20, subdivision 4; 297A.77, subdivision
1.4 3; proposing coding for new law in Minnesota Statutes, chapter 297A.

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

1.6 Section 1. Minnesota Statutes 2016, section 289A.20, subdivision 4, is amended to read:

1.7 Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and payable
1.8 to the commissioner monthly on or before the 20th day of the month following the month
1.9 in which the taxable event occurred, or following another reporting period as the
1.10 commissioner prescribes or as allowed under section 289A.18, subdivision 4, paragraph (f)
1.11 or (g), except that use taxes due on an annual use tax return as provided under section
1.12 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

1.13 (b) A vendor having a liability of \$250,000 or more during a fiscal year ending June 30
1.14 must remit the June net liability for the next year in the following manner:

1.15 (1) Two business days before June 30 of the year, the vendor must remit 81.4 percent
1.16 of the estimated June net liability to the commissioner.

1.17 (2) On or before August 20 of the year, the vendor must pay any additional amount of
1.18 tax not remitted in June.

1.19 (c) A vendor having a liability of:

1.20 (1) \$10,000 or more, but less than \$250,000 during a fiscal year ending June 30, 2013,
1.21 and fiscal years thereafter, must remit by electronic means all net liabilities on returns due
1.22 for periods beginning in all subsequent calendar years on or before the 20th day of the month

2.1 following the month in which the taxable event occurred, or on or before the 20th day of
2.2 the month following the month in which the sale is reported under section 289A.18,
2.3 subdivision 4; or

2.4 (2) \$250,000 or more, during a fiscal year ending June 30, 2013, and fiscal years
2.5 thereafter, must remit by electronic means all net liabilities in the manner provided in
2.6 paragraph (a) on returns due for periods beginning in the subsequent calendar year, except
2.7 for 81.4 percent of the estimated June net liability, which is due two business days before
2.8 June 30. The remaining amount of the June liability is due on August 20.

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

2.16 (e) For purposes of this subdivision, "net liability" means the liability minus the amount
2.17 of vendor allowance authorized under section 297A.816.

2.18 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
2.19 30, 2017.

2.20 Sec. 2. Minnesota Statutes 2016, section 297A.77, subdivision 3, is amended to read:

2.21 Subd. 3. **Tax must be remitted.** The tax collected by a retailer under this section, except
2.22 for the amount allowed to be retained by the seller under section 297A.816, must be remitted
2.23 to the commissioner as provided in chapter 289A and this chapter.

2.24 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
2.25 30, 2017.

2.26 Sec. 3. **[297A.816] VENDOR ALLOWANCE.**

2.27 Subdivision 1. Eligibility. A retailer or seller may retain a portion of sales tax collected
2.28 as a vendor allowance in compensation for the costs of collecting and administering the tax
2.29 under this chapter. This section applies only if the tax minus the vendor allowance is both
2.30 reported and remitted to the commissioner in a timely fashion as required under chapter
2.31 289A.

3.1 Subd. 2. Tax not eligible for allowance. Use taxes paid by the seller on the seller's own
3.2 purchases are not included in calculating the vendor allowance under this section. All other
3.3 sales and use taxes collected by a seller are eligible for the vendor allowance under this
3.4 section.

3.5 Subd. 3. Calculation of allowance; minimum amounts. (a) The amount of the vendor
3.6 allowance is equal to a percentage of the eligible taxes collected in the reporting period, as
3.7 defined under section 289A.18, subdivision 4, at the rates provided under paragraph (b).
3.8 The vendor allowance per reporting period may not be less than the lesser of \$10 or the
3.9 amount of eligible taxes collected during the reporting period.

3.10 (b) The vendor allowance authorized under this section must be calculated using the
3.11 following thresholds and rates:

3.12 (1) for vendors with sales less than \$60,000 in a fiscal year ending June 30 of a calendar
3.13 year, two percent;

3.14 (2) for vendors with sales between \$60,000 and \$600,000 in a fiscal year ending June
3.15 30 of a calendar year, one percent; and

3.16 (3) for vendors with sales greater than \$600,000 in a fiscal year ending June 30 of a
3.17 calendar year, 0.75 percent.

3.18 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
3.19 30, 2017.