

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-THIRD SESSION**

**S.F. No. 1535**

(SENATE AUTHORS: UTKE)

DATE  
02/13/2023

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Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

- 1.1 A bill for an act
- 1.2 relating to taxation; providing onetime direct payments to taxpayers.
- 1.3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.4 Section 1. **DIRECT PAYMENT; APPROPRIATION.**
- 1.5 (a) The following individuals are eligible for a direct payment:
- 1.6 (1) an individual who was a resident of Minnesota, as defined in Minnesota Statutes,
- 1.7 section 290.01, subdivision 7, for any part of 2021, and filed a 2021 Minnesota individual
- 1.8 income tax return by October 15, 2022; and
- 1.9 (2) an individual who was eligible for and who filed a claim for refund by December
- 1.10 31, 2022, under Minnesota Statutes, chapter 290A.04, subdivision 2, for property taxes
- 1.11 payable in 2022 or subdivision 3, for rent constituting property taxes paid in 2021.
- 1.12 (b) An individual is not eligible for a direct payment if the individual's taxable net income,
- 1.13 as defined in Minnesota Statutes, section 290.01, subdivision 22, as reported on the
- 1.14 individual's original 2021 Minnesota individual income tax return exceeded:
- 1.15 (1) \$166,040 in the case of a single individual filer;
- 1.16 (2) \$276,200 in the case of a married individual who filed a joint return;
- 1.17 (3) \$220,730 in the case of an individual who filed as head of household; or
- 1.18 (4) \$138,100 in the case of a married individual who filed a separate return.
- 1.19 (c) The direct payment is equal to:
- 1.20 (1) \$3,000 for a single filer or a married individual who filed a separate return; and

2.1 (2) \$6,000 for a married couple who filed a joint return or an individual who filed as  
2.2 head of household.

2.3 (d) For an individual who was a resident of Minnesota for less than the entire year, the  
2.4 direct payment equals the direct payment under paragraph (c) for their filing status multiplied  
2.5 by the percentage determined pursuant to Minnesota Statutes, section 290.06, subdivision  
2.6 2c, paragraph (e), as calculated on their original 2021 individual income tax return.

2.7 (e) A direct payment under this section shall be paid by the commissioner of revenue  
2.8 based on information available in the commissioner's records. A person eligible for a direct  
2.9 payment does not have to file a claim to receive the payment.

2.10 (f) The commissioner of revenue shall pay individuals who filed a joint income tax return  
2.11 or joint property tax refund return for 2021 a joint direct payment.

2.12 (g) The direct payment is a "Minnesota tax law" for purpose of Minnesota Statutes,  
2.13 section 270B.01, subdivision 8.

2.14 (h) The commissioner of revenue must not apply, and must not certify to another agency  
2.15 to apply, a payment under this section to any unpaid tax or nontax debt owed by an individual  
2.16 who is paid a direct payment.

2.17 (i) A payment under this section is not considered income of a recipient in determining  
2.18 their Minnesota individual income tax, any Minnesota individual income tax credits, the  
2.19 Minnesota property tax refund, or the Minnesota senior citizen property tax deferral. A  
2.20 direct payment must not be counted as income or as an asset, personal property, or resource  
2.21 when determining eligibility for any program administered by the Department of Human  
2.22 Services. A direct payment is not assistance based on need for purposes of Minnesota  
2.23 Statutes, section 550.37, subdivision 14.

2.24 (j) If an individual eligible to receive a direct payment dies prior to the issuance of the  
2.25 direct payment the right to the payment lapses.

2.26 (k) If the commissioner of revenue cannot locate an individual entitled to a direct payment  
2.27 within two years of the date that the original check or warrant was issued, or if an individual  
2.28 to whom a direct payment was made has not cashed the check or warrant within two years  
2.29 of the date that the original check or warrant was issued, the right to the payment lapses. If  
2.30 an individual to whom a direct payment was made by debit card has not withdrawn from  
2.31 the card the total amount of the direct payment within two years of the date of issuance of  
2.32 the original debit card, the right to any remaining balance lapses to the state general fund.

3.1 (l) If a direct payment check or warrant is cashed by someone other than the payee or  
3.2 payees of the check or warrant, and the commissioner of revenue determines that the check  
3.3 has been forged or improperly endorsed, the commissioner may recover the amount of the  
3.4 check or warrant from the endorsee or forger. The recovery may be made using the same  
3.5 procedures used in assessing additional tax under Minnesota Statutes, section 270C.33. The  
3.6 assessment must be made within two years after the check or warrant is cashed. If a direct  
3.7 payment was made through a debit card and the commissioner determines that the card was  
3.8 activated and accessed by an unauthorized person, the commissioner may recover from the  
3.9 unauthorized person the amount of any unauthorized withdrawals. The recovery may be  
3.10 made using the same procedures used in assessing additional tax under Minnesota Statutes,  
3.11 section 270C.33. The assessment must be made within two years after the last unauthorized  
3.12 withdrawal.

3.13 (m) Notwithstanding Minnesota Statutes, sections 9.031, 16B.49, chapter 16C, and any  
3.14 other law to the contrary, the commissioner of revenue may take whatever actions the  
3.15 commissioner deems necessary to pay the direct payment required by this section, and may,  
3.16 in consultation with the commissioner of management and budget, contract with a private  
3.17 vendor or vendors to process, print, mail, or deliver the checks, warrants, or debit cards  
3.18 required under this section and receive and disburse state funds to make the direct payments  
3.19 by check, warrant, electronic funds transfer, or debit card.

3.20 (n) The amount necessary to make the direct payments provided in this section is  
3.21 appropriated from the general fund to the commissioner of revenue in fiscal year 2023 and  
3.22 is available until June 30, 2024.

3.23 (o) \$7,752,000 in fiscal year 2023 and \$215,000 in fiscal year 2024 are appropriated  
3.24 from the general fund to the commissioner of revenue to administer this section. Any  
3.25 unencumbered balance remaining on June 30, 2023, does not cancel but is available for  
3.26 expenditure by the commissioner of revenue until June 30, 2024. These are onetime  
3.27 appropriations that are not added to the agency's budget base.

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