268.057 COLLECTION OF TAXES.

Subdivision 1. **Amount computed presumed correct.** Any amount due from an employer, as computed by the commissioner, is presumed to be correctly determined and assessed, and the burden is upon the employer to show its incorrectness. A statement by the commissioner of the amount due is admissible in evidence in any court or administrative proceeding and is prima facie evidence of the facts in the statement.

Subd. 2. **Priority of payments.** (a) Any payment received from a taxpaying employer must be applied in the following order:

(1) unemployment insurance taxes; then

(2) special assessment for interest on any federal loan; then

(3) workforce development assessment; then

(4) interest on past due taxes; then

(5) penalties, late fees, administrative service fees, and costs.

(b) Paragraph (a) is the priority used for all payments received from a taxpaying employer, regardless of how the employer may designate the payment to be applied, except when:

(1) there is an outstanding lien and the employer designates that the payment made should be applied to satisfy the lien;

(2) the payment is for back pay withheld from an applicant under section 268.085, subdivision 6, paragraph (b);

(3) the payment is specifically designated by the employer to be applied to an outstanding overpayment of unemployment benefits of an applicant;

(4) a court or administrative order directs that the payment be applied to a specific obligation;

(5) a preexisting payment plan provides for the application of payment; or

(6) the commissioner, under the compromise authority of section 268.067, agrees to apply the payment to a different priority.

Subd. 3. **Estimating the tax due.** Only if an employer fails to make all necessary records available for an audit under section 268.186, paragraph (b), and the commissioner has reason to believe the employer has not reported all the required wages on the quarterly wage detail reports under section 268.044, may the commissioner then estimate the amount of tax due and assess the employer the estimated amount due.

Subd. 4. **Costs.** (a) Any employer, and any applicant subject to section 268.18, subdivision 2, that fails to pay any amount when due under this chapter is liable for any filing fees, recording fees, sheriff fees, costs incurred by referral to any public or private collection agency, or litigation costs, including attorney fees, incurred in the collection of the amounts due.

(b) If any tendered payment of any amount due is not honored when presented to a financial institution for payment, any costs assessed the department by the financial institution and a fee of $25 must be assessed to the person.

(c) Costs and fees collected under this subdivision are credited to the administration account.

Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under this chapter or section 116L.20, except late fees under section 268.044, are not received on the date due, the commissioner must assess interest on any amount that remains unpaid. Interest is assessed at the rate of one percent per month or any part of a month. Interest is not assessed on unpaid interest. Interest collected under this subdivision is credited to the contingent account.

Subd. 6. **Interest on judgments.** Regardless of section 549.09, if judgment is entered upon any past due amounts from an employer under this chapter or section 116L.20, the unpaid judgment bears interest at the rate specified in subdivision 5 until the date of payment.

Subd. 7. **Credit adjustments, refunds.** (a) If an employer makes an application for a credit adjustment of any amount paid under this chapter or section 116L.20 within four years of the date that the payment was due, in a manner and format prescribed by the commissioner, and the commissioner determines that the payment or any portion was erroneous, the commissioner must make an adjustment and issue a credit without interest. If a credit cannot be used, the commissioner must refund, without interest, the amount erroneously paid. The commissioner, on the commissioner's own motion, may make a credit adjustment or refund under this subdivision.

Any refund returned to the commissioner is considered unclaimed property under chapter 345.

(b) If a credit adjustment or refund is denied in whole or in part, a determination of denial must be sent to the employer by mail or electronic transmission. The determination of denial is final unless an employer files an appeal within 45 calendar days after sending. Proceedings on the appeal are conducted in accordance with section 268.105.

Subd. 8. MS 1998 [Repealed, 1999 c 107 s 67]

Subd. 9. MS 1998 [Repealed, 1999 c 107 s 67]

Subd. 10. **Priorities under legal dissolutions or distributions.** In the event of any distribution of an employer's assets according to an order of any court, including any receivership, assignment for benefit of creditors, adjudicated insolvency, or similar proceeding, taxes then or thereafter due must be paid in full before all other claims except claims for wages of not more than $1,000 per former employee, earned within six months of the commencement of the proceedings. In the event of an employer's adjudication in bankruptcy under federal law, taxes then or thereafter due are entitled to the priority provided in that law for taxes due any state.

History: *Ex1936 c 2 s 14; 1941 c 554 s 13; 1943 c 650 s 9; 1945 c 376 s 13; 1949 c 605 s 12,13; 1951 c 55 s 1; 1953 c 97 s 17; 1969 c 9 s 65; 1969 c 567 s 3; 1969 c 854 s 13; 1973 c 254 s 3; 1973 c 720 s 73 subds 2,3; 1975 c 108 s 1; 1975 c 302 s 3,4; 1975 c 336 s 22,23; 1977 c 430 s 25 subd 1; 1978 c 618 s 2; 1978 c 674 s 60; 1980 c 508 s 11-13; 3Sp1981 c 2 art 1 s 33; 1Sp1982 c 1 s 34,35; 1983 c 372 s 39; 1985 c 248 s 70; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1987 c 362 s 26; 1987 c 385 s 28-30; 1989 c 65 s 12; 1989 c 209 art 2 s 1; 1993 c 67 s 11; 1994 c 483 s 1; 1995 c 54 s 13-15; 1996 c 417 s 24,31; 1997 c 66 s 66-69,79,80; 1998 c 265 s 14-17,44; 1999 c 107 s 31,32,66; 2000 c 343 s 4; 1Sp2003 c 3 art 2 s 6,20; 2004 c 183 s 37; 2005 c 112 art 2 s 14; 2007 c 128 art 1 s 10; art 6 s 34-40; 2009 c 78 art 4 s 15,16,50; 2011 c 84 art 2 s 6; 2014 c 251 art 1 s 3; art 2 s 7; 1Sp2019 c 7 art 5 s 1; 2023 c 69 s 10*