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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **716**

February 8, 2007

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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 sales and excise taxes; reducing June accelerated payments; amending
1.3 Minnesota Statutes 2006, sections 289A.20, subdivision 4; 289A.60, subdivision
1.4 15; 297F.09, subdivision 10; 297G.09, subdivision 9.

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

1.6 Section 1. Minnesota Statutes 2006, section 289A.20, subdivision 4, is amended to
1.7 read:

1.8 Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and
1.9 payable to the commissioner monthly on or before the 20th day of the month following the
1.10 month 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
1.12 (f) 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 \$120,000 or more during a fiscal year ending June
1.15 30 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 ~~78~~ 50
1.17 percent 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
1.19 of tax not remitted in June.

1.20 (c) A vendor having a liability of:

1.21 (1) \$20,000 or more in the fiscal year ending June 30, 2005; or

1.22 (2) \$10,000 or more in the fiscal year ending June 30, 2006, and fiscal years
1.23 thereafter,

2.1 must remit all liabilities on returns due for periods beginning in the subsequent calendar
2.2 year by electronic means on or before the 20th day of the month following the month in
2.3 which the taxable event occurred, or on or before the 20th day of the month following the
2.4 month in which the sale is reported under section 289A.18, subdivision 4, except for ~~78~~ 50
2.5 percent of the estimated June liability, which is due two business days before June 30. The
2.6 remaining amount of the June liability is due on August 20.

2.7 **EFFECTIVE DATE.** This section is effective beginning with June 2008 tax
2.8 liabilities.

2.9 Sec. 2. Minnesota Statutes 2006, section 289A.60, subdivision 15, is amended to read:

2.10 Subd. 15. **Accelerated payment of June sales tax liability; penalty for**
2.11 **underpayment.** For payments made after December 31, 2006, if a vendor is required by
2.12 law to submit an estimation of June sales tax liabilities and ~~78~~ 50 percent payment by a
2.13 certain date, the vendor shall pay a penalty equal to ten percent of the amount of actual
2.14 June liability required to be paid in June less the amount remitted in June. The penalty
2.15 must not be imposed, however, if the amount remitted in June equals the lesser of ~~78~~ 50
2.16 percent of the preceding May's liability or ~~78~~ 50 percent of the average monthly liability
2.17 for the previous calendar year.

2.18 **EFFECTIVE DATE.** This section is effective beginning with June 2008 tax
2.19 liabilities.

2.20 Sec. 3. Minnesota Statutes 2006, section 297F.09, subdivision 10, is amended to read:

2.21 Subd. 10. **Accelerated tax payment; cigarette or tobacco products distributor.**
2.22 A cigarette or tobacco products distributor having a liability of \$120,000 or more during a
2.23 fiscal year ending June 30, shall remit the June liability for the next year in the following
2.24 manner:

2.25 (a) Two business days before June 30 of the year, the distributor shall remit the
2.26 actual May liability and ~~78~~ 50 percent of the estimated June liability to the commissioner
2.27 and file the return in the form and manner prescribed by the commissioner.

2.28 (b) On or before August 18 of the year, the distributor shall submit a return showing
2.29 the actual June liability and pay any additional amount of tax not remitted in June. A
2.30 penalty is imposed equal to ten percent of the amount of June liability required to be paid
2.31 in June, less the amount remitted in June. However, the penalty is not imposed if the
2.32 amount remitted in June equals the lesser of:

2.33 (1) ~~78~~ 50 percent of the actual June liability; or

3.1 (2) ~~78~~ 50 percent of the preceding May's liability.

3.2 **EFFECTIVE DATE.** This section is effective beginning with June 2008 tax
3.3 liabilities.

3.4 Sec. 4. Minnesota Statutes 2006, section 297G.09, subdivision 9, is amended to read:

3.5 Subd. 9. **Accelerated tax payment; penalty.** A person liable for tax under this
3.6 chapter having a liability of \$120,000 or more during a fiscal year ending June 30, shall
3.7 remit the June liability for the next year in the following manner:

3.8 (a) Two business days before June 30 of the year, the taxpayer shall remit the actual
3.9 May liability and ~~78~~ 50 percent of the estimated June liability to the commissioner and file
3.10 the return in the form and manner prescribed by the commissioner.

3.11 (b) On or before August 18 of the year, the taxpayer shall submit a return showing
3.12 the actual June liability and pay any additional amount of tax not remitted in June. A
3.13 penalty is imposed equal to ten percent of the amount of June liability required to be paid
3.14 in June less the amount remitted in June. However, the penalty is not imposed if the
3.15 amount remitted in June equals the lesser of:

3.16 (1) ~~78~~ 50 percent of the actual June liability; or

3.17 (2) ~~78~~ 50 percent of the preceding May liability.

3.18 **EFFECTIVE DATE.** This section is effective beginning with June 2008 tax
3.19 liabilities.