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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2524

04/15/2021 Authored by Mortensen, Miller, Bahr, Draskowski and Munson
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; prohibiting the imposition of certain taxes during a shutdown
1.3 period; amending Minnesota Statutes 2020, section 290.0131, by adding a
1.4 subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

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

1.6 Section 1. Minnesota Statutes 2020, section 290.0131, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 19. Wages paid during a shutdown period. The amount of wages paid on which
1.9 no tax is deducted and withheld under section 290.994, subdivision 2, is a subtraction.

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

1.11 Sec. 2. [290.994] NO TAX IMPOSED DURING SHUTDOWN PERIOD.

1.12 Subdivision 1. Definitions. (a) As used in this section, the definitions in paragraphs (b)
1.13 and (c) have the meanings given.

1.14 (b) "Consumption tax" means a tax imposed under section 295, 296A, 297A, 297B,
1.15 297E, 297F, 297G, or 297H.

1.16 (c) "Shutdown period" means the time period beginning on July 1 of an odd-numbered
1.17 year, during which legislation appropriating money for the general operations of any of the
1.18 following divisions of government has not been enacted for the biennium beginning July 1
1.19 of that year:

1.20 (1) an executive agency;

2.1 (2) an office or department of the legislature, including each house of the legislature and  
2.2 the Legislative Coordinating Commission; or

2.3 (3) a judicial branch agency or department, including a court.

2.4 Subd. 2. **Tax on wages not imposed.** No tax shall be deducted and withheld on wages  
2.5 paid by an employer under section 290.92 on a day that falls within a shutdown period or  
2.6 ten days after that period.

2.7 Subd. 3. **Consumption taxes not imposed.** No consumption tax shall be imposed if the  
2.8 activity or transaction giving rise to the tax occurs during a shutdown period or three days  
2.9 after that period.

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