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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 433

01/23/2017 Authored by Youakim, Davids, Flanagan, Freiberg, Halverson and others
The bill was read for the first time and referred to the Committee on State Government Finance

1.1 A bill for an act
1.2 relating to taxation; requiring the commissioner of revenue to implement a free
1.3 electronic filing system for individual income tax returns; appropriating money.

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

1.5 Section 1. REPORT OF FREE ELECTRONIC FILING FOR INDIVIDUAL INCOME
1.6 TAX RETURNS.

1.7 (a) By March 16, 2018, the commissioner of revenue must provide a written report to
1.8 the chairs and ranking minority members of the legislative committees with jurisdiction
1.9 over taxes regarding free electronic filing options for individual income tax filing, including
1.10 a vendor-based solution. The report must include responses from a commissioner's request
1.11 for information to consumer-based tax filing software vendors. The request for information
1.12 may include, but is not limited to, seeking information on the following aspects of a free
1.13 electronic filing solution:

1.14 (1) costs, on a per return basis, that would be charged to the state of Minnesota to provide
1.15 an electronic individual income tax return preparation, submission, and payment remittance
1.16 process;

1.17 (2) vendor capability to provide customer service and issue resolution to taxpayers using
1.18 the software;

1.19 (3) vendor capability to provide and maintain an appropriate link between the Department
1.20 of Revenue and the Internal Revenue Service Modernized Electronic Filing Program;

2.1 (4) vendor security capabilities to ensure that taxpayer return information is maintained  
2.2 and protected as required by Minnesota Statutes, chapters 13 and 270B, Internal Revenue  
2.3 Service Publication 1075, and any other applicable requirements;

2.4 (5) products for the free filing and submitting of both Minnesota and federal returns  
2.5 offered to customers and the thresholds for using those products; and

2.6 (6) add-on products offered to customers and their costs.

2.7 (b) The report required under paragraph (a) must comply with Minnesota Statutes,  
2.8 sections 3.195 and 3.197.

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

2.10 Sec. 2. **APPROPRIATION.**

2.11 \$175,000 in fiscal year 2018 is appropriated from the general fund to the commissioner  
2.12 of revenue for administering section 1.