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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 5467

05/13/2024 Authored by Norris
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; providing limitations on assessments of individual income,
1.3 corporate franchise, and sales and use taxes; amending Minnesota Statutes 2022,
1.4 section 270C.33, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2022, section 270C.33, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 4a. Limitations; sales, corporate, and income taxes. (a) The provisions of this
1.9 subdivision are a limitation on the assessment authority of the commissioner under this
1.10 section.

1.11 (b) The commissioner must not assess additional tax due under chapter 290 or 297A if
1.12 each of the following requirements are met:

1.13 (1) the taxpayer was given erroneous advice in writing by an employee of the department
1.14 acting in an official capacity, if the advice:

1.15 (i) was reasonably relied on and was included in a tax order or in response to a specific
1.16 written request by the taxpayer; and

1.17 (ii) was not the result of failure by the taxpayer to provide adequate or accurate
1.18 information; and

1.19 (2) effective for a taxable period beginning after the period covered by clause (1), neither
1.20 the statute or administrative rule on which the reporting or other practice is based has been
1.21 materially changed, its interpretation has not been changed by a court decision, or there has
1.22 been a federal adjustment as defined under section 289A.381, subdivision 7, and the

2.1 commissioner has not issued a revenue notice or directly notified the taxpayer, in writing,
2.2 of the commissioner's position as to the proper reporting or other treatment of the relevant
2.3 income, transaction, deduction, credit, or other item of tax preference.

2.4 (c) For an audit of a prior taxable period by the commissioner, paragraph (b), clause (1),
2.5 applies only to the issues within the scope of and specifically addressed by the audit where
2.6 the written order given to the taxpayer includes erroneous advice on those issues. For a
2.7 written order that includes data sampling, paragraph (b), clause (1), applies only to the
2.8 reviewed sampled population.

2.9 **EFFECTIVE DATE.** This section is effective for erroneous advice given to the taxpayer
2.10 in writing after June 30, 2024.