

1.1 A bill for an act

1.2 relating to taxation; repealing political contribution refund; amending Minnesota
1.3 Statutes 2008, sections 270A.03, subdivision 7; 289A.50, subdivision 1; 290.01,
1.4 subdivision 6; repealing Minnesota Statutes 2008, sections 10A.322, subdivision
1.5 4; 290.06, subdivision 23.

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

1.7 Section 1. Minnesota Statutes 2008, section 270A.03, subdivision 7, is amended to
1.8 read:

1.9 Subd. 7. **Refund.** "Refund" means an individual income tax refund ~~or political~~
1.10 ~~contribution refund~~, pursuant to chapter 290, or a property tax credit or refund, pursuant to
1.11 chapter 290A, or a sustainable forest tax payment to a claimant under chapter 290C.

1.12 For purposes of this chapter, lottery prizes, as set forth in section 349A.08,
1.13 subdivision 8, and amounts granted to persons by the legislature on the recommendation
1.14 of the joint senate-house of representatives Subcommittee on Claims shall be treated
1.15 as refunds.

1.16 In the case of a joint property tax refund payable to spouses under chapter 290A,
1.17 the refund shall be considered as belonging to each spouse in the proportion of the total
1.18 refund that equals each spouse's proportion of the total income determined under section
1.19 290A.03, subdivision 3. In the case of a joint income tax refund under chapter 289A, the
1.20 refund shall be considered as belonging to each spouse in the proportion of the total
1.21 refund that equals each spouse's proportion of the total taxable income determined under
1.22 section 290.01, subdivision 29. The commissioner shall remit the entire refund to the
1.23 claimant agency, which shall, upon the request of the spouse who does not owe the debt,
1.24 determine the amount of the refund belonging to that spouse and refund the amount to
1.25 that spouse. For court fines, fees, and surcharges and court-ordered restitution under

2.1 section 611A.04, subdivision 2, the notice provided by the commissioner of revenue under
2.2 section 270A.07, subdivision 2, paragraph (b), serves as the appropriate legal notice
2.3 to the spouse who does not owe the debt.

2.4 EFFECTIVE DATE. This section is effective for taxable years beginning after
2.5 December 31, 2008.

2.6 Sec. 2. Minnesota Statutes 2008, section 289A.50, subdivision 1, is amended to read:

2.7 Subdivision 1. **General right to refund.** (a) Subject to the requirements of this
2.8 section and section 289A.40, a taxpayer who has paid a tax in excess of the taxes lawfully
2.9 due and who files a written claim for refund will be refunded or credited the overpayment
2.10 of the tax determined by the commissioner to be erroneously paid.

2.11 (b) The claim must specify the name of the taxpayer, the date when and the period
2.12 for which the tax was paid, the kind of tax paid, the amount of the tax that the taxpayer
2.13 claims was erroneously paid, the grounds on which a refund is claimed, and other
2.14 information relative to the payment and in the form required by the commissioner. An
2.15 income tax, estate tax, or corporate franchise tax return, or amended return claiming an
2.16 overpayment constitutes a claim for refund.

2.17 (c) When, in the course of an examination, and within the time for requesting a
2.18 refund, the commissioner determines that there has been an overpayment of tax, the
2.19 commissioner shall refund or credit the overpayment to the taxpayer and no demand
2.20 is necessary. If the overpayment exceeds \$1, the amount of the overpayment must
2.21 be refunded to the taxpayer. If the amount of the overpayment is less than \$1, the
2.22 commissioner is not required to refund. In these situations, the commissioner does not
2.23 have to make written findings or serve notice by mail to the taxpayer.

2.24 (d) If the amount allowable as a credit for withholding, estimated taxes, or dependent
2.25 care exceeds the tax against which the credit is allowable, the amount of the excess is
2.26 considered an overpayment. ~~The refund allowed by section 290.06, subdivision 23, is also~~
2.27 ~~considered an overpayment.~~ The requirements of section 270C.33 do not apply to the
2.28 refunding of such an overpayment shown on the original return filed by a taxpayer.

2.29 (e) If the entertainment tax withheld at the source exceeds by \$1 or more the taxes,
2.30 penalties, and interest reported in the return of the entertainment entity or imposed by
2.31 section 290.9201, the excess must be refunded to the entertainment entity. If the excess is
2.32 less than \$1, the commissioner need not refund that amount.

2.33 (f) If the surety deposit required for a construction contract exceeds the liability of
2.34 the out-of-state contractor, the commissioner shall refund the difference to the contractor.

S.F. No. 124, as introduced - 86th Legislative Session (2009-2010) [09-0854]

3.1 (g) An action of the commissioner in refunding the amount of the overpayment does
3.2 not constitute a determination of the correctness of the return of the taxpayer.

3.3 (h) There is appropriated from the general fund to the commissioner of revenue the
3.4 amount necessary to pay refunds allowed under this section.

3.5 Sec. 3. Minnesota Statutes 2008, section 290.01, subdivision 6, is amended to read:

3.6 Subd. 6. **Taxpayer.** The term "taxpayer" means any person or corporation subject to
3.7 a tax imposed by this chapter. ~~For purposes of section 290.06, subdivision 23, the term~~
3.8 ~~"taxpayer" means an individual eligible to vote in Minnesota under section 201.014.~~

3.9 Sec. 4. **REPEALER.**

3.10 Minnesota Statutes 2008, sections 10A.322, subdivision 4; and 290.06, subdivision
3.11 23, are repealed.

3.12 Sec. 5. **EFFECTIVE DATE.**

3.13 Sections 1 to 4 are effective for political contributions made after June 30, 2009.