

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 5168

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DATE
03/21/2024

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Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

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 tax reported by the taxpayer is consistent with and based on past reporting or
1.14 other practices of the taxpayer that were fully disclosed to the commissioner and were
1.15 approved, in writing, to the taxpayer by the commissioner, including by issuing an audit
1.16 assessing no additional tax liability with respect to that item for a prior taxable period; and

1.17 (2) effective for a taxable period beginning after the period covered by clause (1), neither
1.18 the statute or administrative rule on which the reporting or other practice is based has been
1.19 materially changed, and the commissioner has not issued a revenue notice or directly notified
1.20 the taxpayer, in writing, of a change in the commissioner's position as to the proper reporting
1.21 or other treatment of the relevant income, transaction, deduction, or other item.

2.1 (c) For an audit of a prior taxable period by the commissioner, paragraph (b), clause (1),
2.2 applies only to the issues within the scope of and specifically addressed by the audit.

2.3 **EFFECTIVE DATE.** This section is effective for assessments made after June 30,
2.4 2024.