

NINETY-FOURTH SESSION

01/23/2025 Authored by Robbins and Davids
The bill was read for the first time and referred to the Committee on Taxes

Section 1.

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

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

2.13 (e) If the entertainment tax withheld at the source exceeds by \$1 or more the taxes,
2.14 penalties, and interest reported in the return of the entertainment entity or imposed by section
2.15 290.9201, the excess must be refunded to the entertainment entity. If the excess is less than
2.16 \$1, the commissioner need not refund that amount.

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

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

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

2.23 **EFFECTIVE DATE.** This section is effective for refunds due on taxes paid for taxable
2.24 years beginning after December 31, 2024.