

**Senate Tax Committee**  
**Wednesday, March 2, 2005**  
**Room 15 Capitol**  
**Chair, Senator Lawrence J. Pogemiller**

Present

Pogemiller, Chair  
Tomassoni, Vice Chair  
Bakk  
Belanger  
Betzold  
Marty  
McGinn  
Moua  
Ortman  
Skoe

Absent

Limmer  
Johnson

Senator Pogemiller called the meeting to order at 9:07 a.m.

A quorum was present.

**Agenda Item #1: Discussion regarding turbo-charged tax for cities and counties**

1. Overview of "Turbo-charge Truth in Taxation", or the "Taxpayer Satisfaction Survey", as it is now titled. Presentation by Commissioner Dan Salomone, MN Department of Revenue
  - a. Replaces current TNT meetings and advertisements with a consolidated notice that captures spending growth for cities and counties.
  - b. Same information consolidated in one place
  - c. Clip and mail "Taxpayer Satisfaction Survey"
    - i. Yes or no-level of satisfaction with county and city levies
    - ii. Move back to the county
    - iii. If a percentage surveyed express dissatisfaction with the levy then cities and counties schedule a referendum. If the referendum fails then the levy reverts to the previous levy amount.
2. Discussion
  - a. Tight time table
  - b. Why is this not done for the schools?

**Agenda Item #2: SF 823 (Moua) Department of Revenue Policy and Technical Bill**

1. Presented by Senator Mee Moua
  - a. A-1 amendment handed out
2. Article by article overview by Department of Revenue
  - a. Article 1-John Haugen, MN Department of Revenue
    - i. Section 1 and 5
      1. Senator Betzold moved an oral amendment on pg. 2, line 45, deleting "must" and inserting "may". Motion adopted.
      2. Senator Moua moved that sections 1 and 5 as amended and incorporated in Tax 2. Motion adopted
    - ii. Section 2
      1. Senator Belanger moved that section 2 be incorporated in to Tax 2. Motion adopted
    - iii. Section 3
      1. Senator Belanger moves that section 3 be incorporated in Tax 2. Motion adopted.
    - iv. Section 4
      1. Senator Bakk moves that section 4 be incorporated in Tax 2. Motion adopted
    - v. Section 6-Penalties for tax preparers
      1. Senator Ortman moves that section 6 not be incorporated into Tax 2. Motion adopted
    - vi. Continuation of section 5 amendment

1. Senator Betzold moves that on pg. 7, line 19, delete “require” and insert “request”. Motion adopted.
- vii. Section 7-Removed from the bill with amendment A-1
- viii. Section 8 and 9
  1. Senator Tomassoni moves that sections 8 and 9 be incorporated into Tax 2. Motion adopted
- ix. Section 10
  1. Senator Ortman moves that section 10 be incorporated into Tax 2. Motion adopted
- x. Section 11-15
  1. Senator Betzold moves that sections 11-15 are incorporated into Tax 2. Motion adopted
- b. Article 2-Property tax, Lance Staricha, MN Department of Revenue
  - i. Sections 1-4,7,15,18-20 technical provisions
    1. Senator Skoe moves that sections 1-4, 7, 15, and 18-20 are incorporated into Tax 2. Motion adopted
  - ii. Section 22
    1. Senator Betzold moves that section 22 be incorporated into Tax 2. Motion adopted
  - iii. Section 7
    1. A-1 amendment made some changes
    2. Discussion
    3. A-1 amendment adopted
  - iv. Section 23
    1. Moua moves to not incorporate section 23 into Tax 2. Motion adopted
  - v. Section 25
    1. Senator Skoe moves to incorporate section 25 into Tax 2. Motion Adopted.
  - vi. Section 27
    1. Senator Skoe moves to incorporate section 27 into Tax 2. Adopted
  - vii. Section 17
    1. Senator Betzold moves to incorporate section 17 into Tax 2. Motion adopted
  - viii. Section 28-35,37,47
    1. Senator McGinn moves that sections 28-35, 37 and 47 be incorporated into Tax 2. Motion adopted
  - ix. Section 38 and 39
    1. Senator Marty moves that sections 38 and 39 be incorporated into Tax 2. Motion adopted
  - x. Section 40-42-Already in Tax 2
  - xi. Section 43-Harriet Sims, Department of Revenue
    1. Senator Betzold offers an amendment on pg. 74, line 21, changing “must” to “may”
    2. No action taken.

Senator Tomassoni has the gavel.

3. Section 43 is set aside
- xii. Section 44-Lance Staricha, Department of Revenue
  1. Senator Ortman moves that section 44 be set aside. Motion adopted.
- xiii. Section 45
  1. Senator Ortman moves that section 45 be incorporated into Tax 2. Motion adopted.
- xiv. Section 46
  1. Senator Skoe moves that section 46 be incorporated into Tax 2. Motion adopted.
- xv. Section 50,55,56-Already in Tax 2
- xvi. Section 53 and 54
  1. Go with section 35 changes effective date
  2. Senator Marty moves that sections 53 and 54 be incorporated into Tax 2. Motion adopted.

- xvii. Section 47-Changes made by A-1 amendment already adopted
- c. Article 3-Sales and use, Greg Heck, MN Department of Revenue
  - i. Section 2, 4 and 5
    - 1. Senator Moua moves that sections 2, 4 and 5 are incorporated into Tax 2. Motion adopted.
  - ii. Section 6-8
    - 1. Senator Skoe moves that sections 6-8 are incorporated into Tax 2. Motion adopted.
  - iii. Section 9-16
    - 1. Senator Ortman moves that sections 11, 14 and 16 are incorporated into Tax 2. Motion adopted
  - iv. Section 17 and 18
    - 1. Senator Ortman moves to not incorporate section 18 into Tax 2. Motion adopted.
    - 2. Senator Tomassoni moves to incorporate section 17 into Tax 2. Motion adopted.

Pogemiller has the gavel.

- d. Continuation of article 2
  - i. Section 43
    - 1. Senator Moua moves that section 43 is incorporated into Tax 2. Motion adopted.
  - ii. Section 44
    - 1. Senator Moua moves that section 44 is not incorporated into Tax 2. Motion adopted.
  - iii. Section 58
    - 1. Some changes have been made from Tax 2
    - 2. Senator Moua moves that section 58 not be incorporated into Tax 2 and is instead incorporated and considered with other TIF provisions. Motion adopted
- e. Article 4-Special taxes, Pat Finnegan, MN Department of Revenue
  - i. Section 2-4-MN Care
    - 1. Discussion
    - 2. Testimony from Garber
    - 3. Senator Moua moves that sections 2 and 3 are incorporated into Tax 2. Motion adopted.
  - ii. Section 4
    - 1. Senator McGinn moves that section 4 be incorporated into Tax 2. Motion adopted.
  - iii. Section 5 and 6
    - 1. Senator Moua moves that sections 5 and 6 are not incorporated into Tax 2. Motion adopted.
  - iv. Section 8-13-Gambling
    - 1. Senator Bakk moves that sections 8-13 are incorporated into Tax 2. Motion adopted
  - v. Section 15
    - 1. Senator Bakk moves that section 15 is incorporated into Tax 2. Motion adopted.
  - vi. Section 18
    - 1. Senator Moua moves to set section 18 aside. Motion adopted.
- f. Article 5-Electronic payments, Rick Walzer, MN Department of Revenue
  - i. Section 1-7-Slightly different than the Tax 2 version

Senator Betzold has the gavel.

- ii. Senator Ortman moves that sections 1-7 are incorporated into Tax 2. Motion adopted.
- g. Article 6
  - i. Section 4
    - 1. Senator Skoe moves that section 4 is incorporated into Tax 2. Motion adopted.

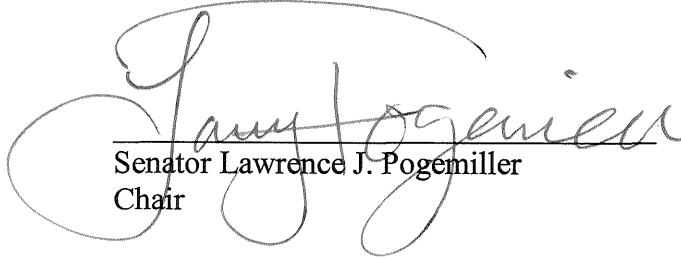
Senator Pogemiller has the gavel.

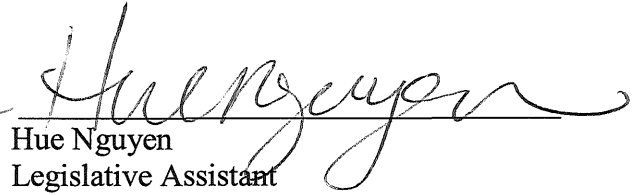
- ii. Section 6 and 7-Deleted by the A-1 amendment
- iii. Section 11

1. Senator Tomassoni moves that section 11 is incorporated into Tax 2. Motion adopted.
- iv. Section 13
  1. Senator Tomassoni moves that section 13 is incorporated into Tax 2. Motion adopted

Senator Pogemiller adjourned the meeting at 11:20 a.m.

Respectfully Submitted:

  
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Senator Lawrence J. Pogemiller  
Chair

  
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Hue Nguyen  
Legislative Assistant

**Senate Committee on Taxes**  
**Wednesday, March 2, 2005**  
**9:00 a.m., Room 15 Capitol**

**AGENDA**

Discussion regarding turbo-charge tax for cities and counties.

Commissioner Dan Salomone, MN Department of Revenue

SF 823 - Moua: Department of Revenue Policy and Technical Bill.

John Haugen, MN Department of Revenue (article 1)

Harriet Sims, MN Department of Revenue (article 2)

Lance Staricha, MN Department of Revenue (article 2)

Greg Heck, MN Department of Revenue (articles 3 & 6)

Pat Finnegan, MN Department of Revenue (article 4)

Rick Walzer, MN Department of Revenue (articles 5 & 6)

Senator Lawrence J. Pogemiller  
Chair

Hue Nguyen  
Legislative Assistant

## Senate Committee Meeting Log

Committee Name: Taxes  
 Date: 3/2/05 Day: Wed Start Time: 9A

### Agenda

Bill # (or Topic)	Turbo charged tax
Author	
Short Descriptor	
Action(s)	discussion regarding turbo charge tax for cities and counties
Bill # (or Topic)	823
Author	mond
Short Descriptor	part of Revenue policy and technical bill
Action(s)	general discussion provisions put into tax bill, amended
Bill # (or Topic)	
Author	
Short Descriptor	
Action(s)	
Bill # (or Topic)	
Author	
Short Descriptor	
Action(s)	

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Commissioner Dan Salomone, MN Department of Revenue

SF 823 - Moua: Department of Revenue Policy and Technical Bill.

John Haugen, MN Department of Revenue (article 1)  
Harriet Sims, MN Department of Revenue (article 2)  
Lance Staricha, MN Department of Revenue (article 2)  
Greg Heck, MN Department of Revenue (articles 3 & 6)  
Pat Finnegan, MN Department of Revenue (article 4)  
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