



Providing nonpartisan legal, research, and fiscal analysis services to the Minnesota Senate

S.F. No. 4522 – Modifying Tax Expenditure Review Commission provisions

Author: Senator Ann H. Rest

Prepared by: Nora Pollock, Senate Counsel (651/297-8066)

Date: March 13, 2024

Section 1. Duties. Under current law, any bill that creates, renews, or continues a tax expenditure must include a purpose statement for the expenditure and a standard or goal against which its effectiveness may be measured. As part of its periodic review of state tax expenditures, the Tax Expenditure Review Commission (TERC) must identify the purpose of a tax expenditure if none was identified in the enacting legislation. This section strikes the reference to the purpose statement requirement, which is repealed later in the bill.

Modifies the date by which the TERC must hold a public hearing on an expenditure that is included in a TERC report from December 1 to February 1 of the year the expenditure is included in a report.

Section 2. Components of review. Strikes a reference to the purpose statement requirement in the list of components of a TERC review of a tax expenditure.

Section 3. Report to legislature. Modifies the due date for the annual TERC report to the legislature from December 15 to February 15 of each year.

Section 4. Terms; vacancies; meetings. Requires the commissioner of revenue to convene the first TERC meeting of the year.

Section 5. Contents. Strikes a reference to the purpose statement requirement in the TERC report requirements.

Section 6. Repealer. Repeals the requirement that any bill that creates, renews, or continues a tax expenditure must include a purpose statement for the expenditure and standard or goal against which its effectiveness may be measured.

All sections are effective the day following final enactment.