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S.F. No. 4431 – Political Contribution Refund Electronic System (2nd Engrossment)

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S.F. 4431 establishes an electronic filing system for the political contribution refund (sometimes called the PCR) program. It eliminates the current paper filing system, but allows for the printing of electronic receipts. The bill appropriates money to the Department of Revenue to establish and implement the new system. The maximum amounts of the refund, \$75 for an individual and \$150 for a married couple filing jointly, are not changed in the bill.

Section 1 [§10A.02, subd. 11b; Data privacy related to electronic reporting system] allows the Campaign Finance and Public Disclosure Board (“Board”) to access or use data entered and stored in the electronic reporting system and share that data with the Commissioner of Revenue (“Commissioner”) to the extent necessary to administer the refund. Data accessed, used, or maintained by the board is private data on individuals. This section is effective January 1, 2026.

Section 2 [§10A.322, subd. 4; Refund receipts; penalty] allows for electronic refund receipts. Replaces references to paper receipts with references to electronic refund receipts. Strikes the requirement that the receipt form provide duplicate copies of the receipt to be attached to the contributor’s claim. A receipt may only be issued for a contribution of \$10 or more. Receipts must include a unique receipt validation number that allows the Commissioner to verify the information with the Board. A political party or candidate may provide a printed copy of the electronic receipt to the contributor. The Board must provide weekly revenue receipt validation reports to the Commissioner that include specified information. Specifies that a receipt validation report and a receipt validation number are private data on individuals. This section is effective for contributions made after December 31, 2025.

Section 3 [§290.06, subd. 23; Refund of contributions to political parties and candidates] eliminates references to paper receipts and inserts references to electronic filing. Allows taxpayers to file more than one claim per year. Prohibits the Commissioner from issuing a refund to a taxpayer that exceeds the maximum refund amount. A claim must be for a minimum of \$10. Strikes

language about receipt numbering and data classification that is replaced by requirements in section 2. Requires the commissioner to establish an electronic filing system for taxpayers to claim refunds. Requires the paper form or electronic claim to include the unique receipt validation number from the receipt issued pursuant to section 2. Strikes permissive language about claims filed on the Internet or other electronic means. This section is effective for contributions made after December 31, 2025.

Section 5 [Appropriation] appropriates an unspecified amount of money in fiscal year 2025 to the commissioner from the general fund to establish and implement an electronic filing system for political contribution refund claims. This is a onetime appropriation and is available until June 30, 2026.