



Department of Revenue Agency Overview

Paul Marquart | Commissioner

Lee Ho | Deputy Commissioner

Mission/Vision/Values

Mission

Working together to fund the future for all of Minnesota.

Vision

Everyone reports, pays, and receives the right amount: no more, no less.

Values

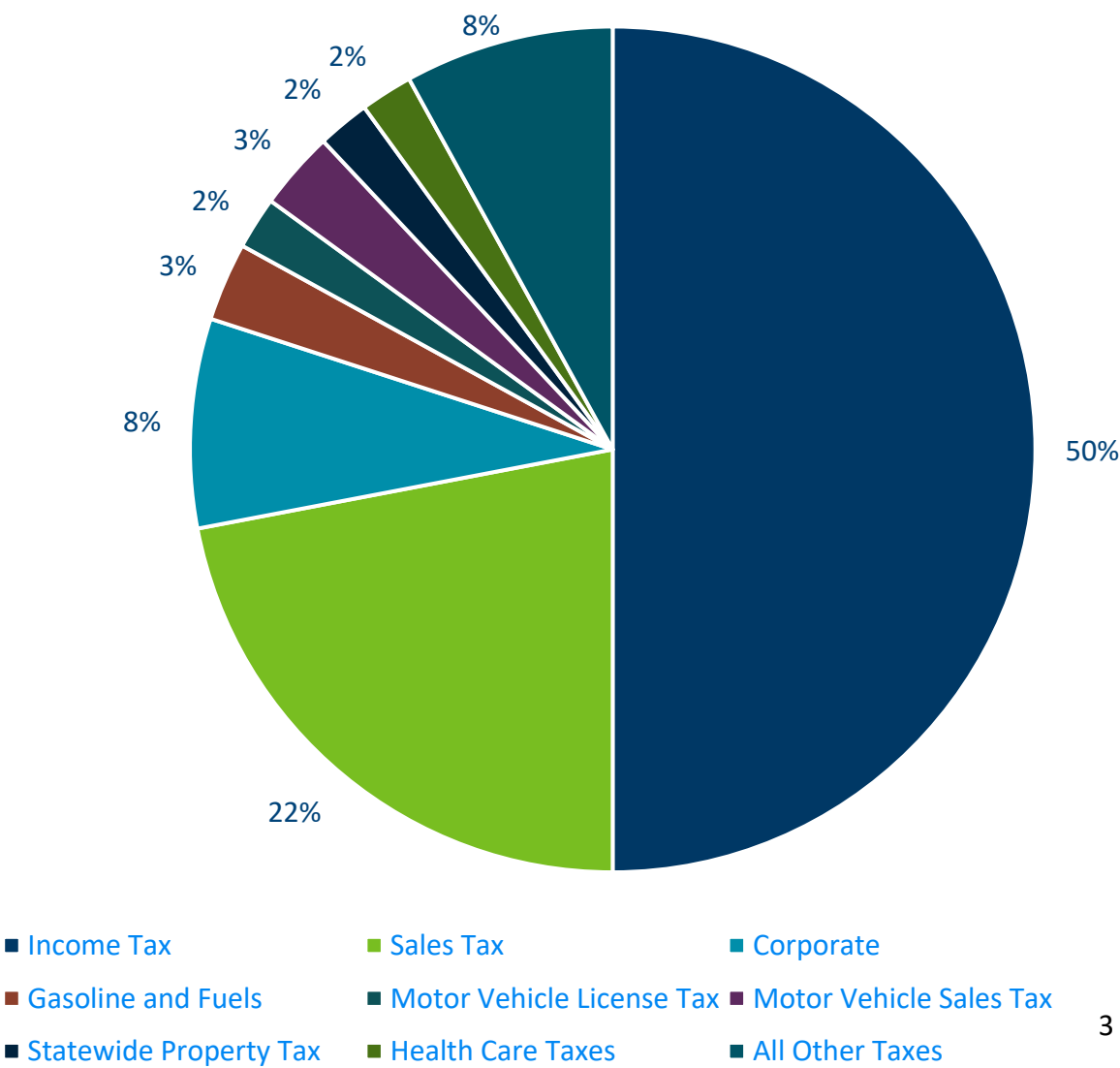
Accountability, Excellence, Inclusion, Integrity, Partnership, and Service



Tax Revenue

Revenue manages, administers, and collects \$33 billion annually to provide vital resources for services and programs around the state.

This is accomplished with an administrative cost of 0.6%.



Tax revenue funds vital programs that benefit Minnesotans

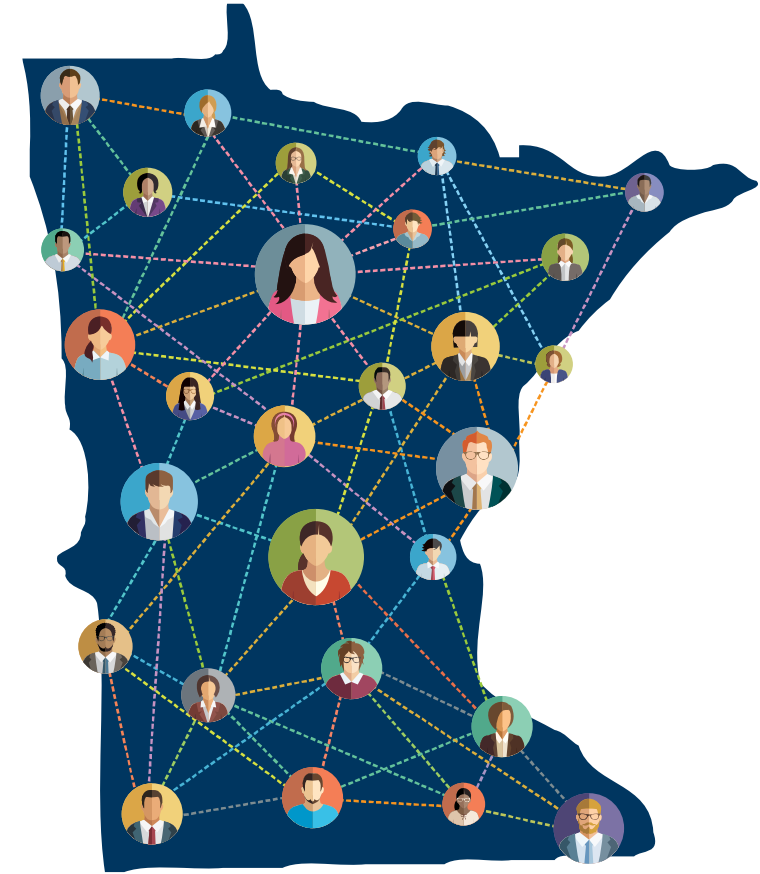
- Education
- Infrastructure
- Healthcare & Public Health
- Public Safety
- Roads/bridges/transit
- Natural Resources



Who Do We Serve?

Our broad base of customers around the state

- 3.1 million individual income tax filers
- Over 800,000 property tax refund filers
- 800 licensed property tax assessors
- More than 500,000 businesses
- More than 370,000 sales tax filers



Who Do We Serve?

Governor and Legislature

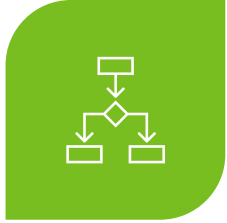
- We consult and confer with the Governor regarding taxation
- We recommend to the legislature appropriate changes in law necessary to help serve Minnesota taxpayers.



Tax Committee Support

- Our research division produces revenue estimates and the Tax Incidence Study to help inform Tax Committees
- We also produce tax reports on many topics to help keep policymakers informed
 - Property Values and Agricultural Valuation and Classification
 - Adjusted Net Tax Capacity for School Districts
 - The Voss Report
 - Tax Expenditure Budget

Serving Taxpayers



PROCESSED MORE THAN 7.2 MILLION TAX RETURNS AND REFUNDS.



COLLECTED \$33.4 BILLION IN STATE AND LOCAL TAXES



RETURNED \$560 MILLION DOLLARS TO FAMILIES THROUGH THE NEW MINNESOTA CHILD TAX CREDIT



PROCESSED MORE THAN 1,000 E-BIKE REBATES TO MINNESOTANS TOTALING NEARLY \$1 MILLION



PROCESSED 1.2 MILLION PROPERTY TAX REFUNDS, TOTALING NEARLY \$1.2 BILLION RETURNED TO MINNESOTANS



PARTNERED WITH MORE THAN 374,000 BUSINESSES TO ADMINISTER SALES TAX



ASSISTED MORE THAN 3,400 LOCAL GOVERNMENTS WITH TAX ADMINISTRATION



RESPONDED TO OVER 475,000 PHONE CALLS AND 100,000 CUSTOMERS BY EMAIL OR IN-PERSON



SERVED 9.5 MILLION VISITORS THROUGH OUR WEBSITE

Protecting Taxpayers



Collected over \$487 million in past-due taxes owed to Minnesota state and local governments through audit, collection, and enforcement activities



Resolved nearly 400,000 unique tax collection cases



Charged 44 criminal tax fraud cases in court



Returned more than \$4.2 million in court-ordered restitution from tax fraud cases back to the state



Blocked more than 480,000 malicious attacks on our website



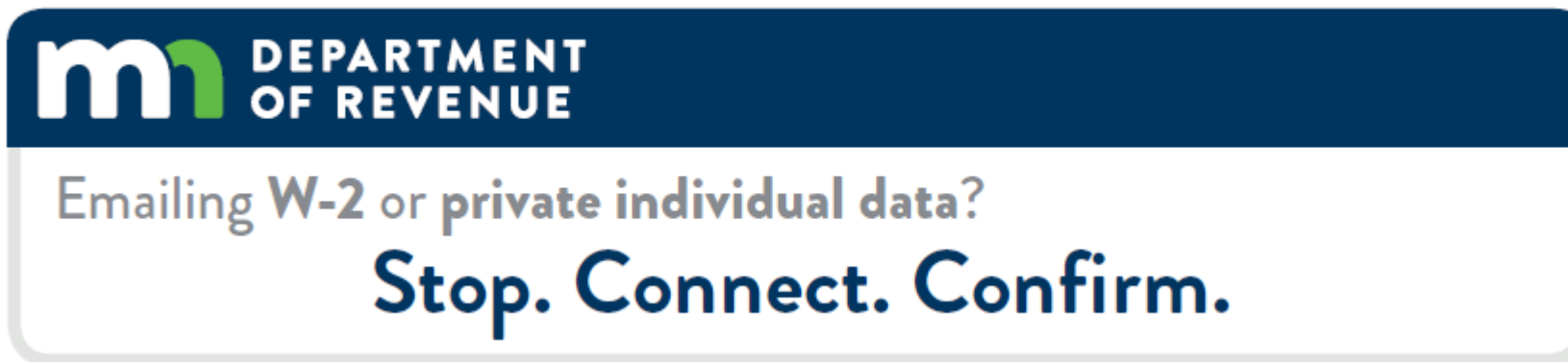
Revenue Operations

Improving Customer Experience

- Making customer interactions easier
- More self-service options through e-Services
- Chatbot added to our e-Services system - can answer common questions, not customer-specific questions
- Automatic translation tool now on our website – Spanish, Hmong, Somali
- Continually securing and protecting customer data

Securing taxpayer information is everyone's job

- ID Theft and Refund Fraud
- Protecting Taxpayer Information
- Security and Training



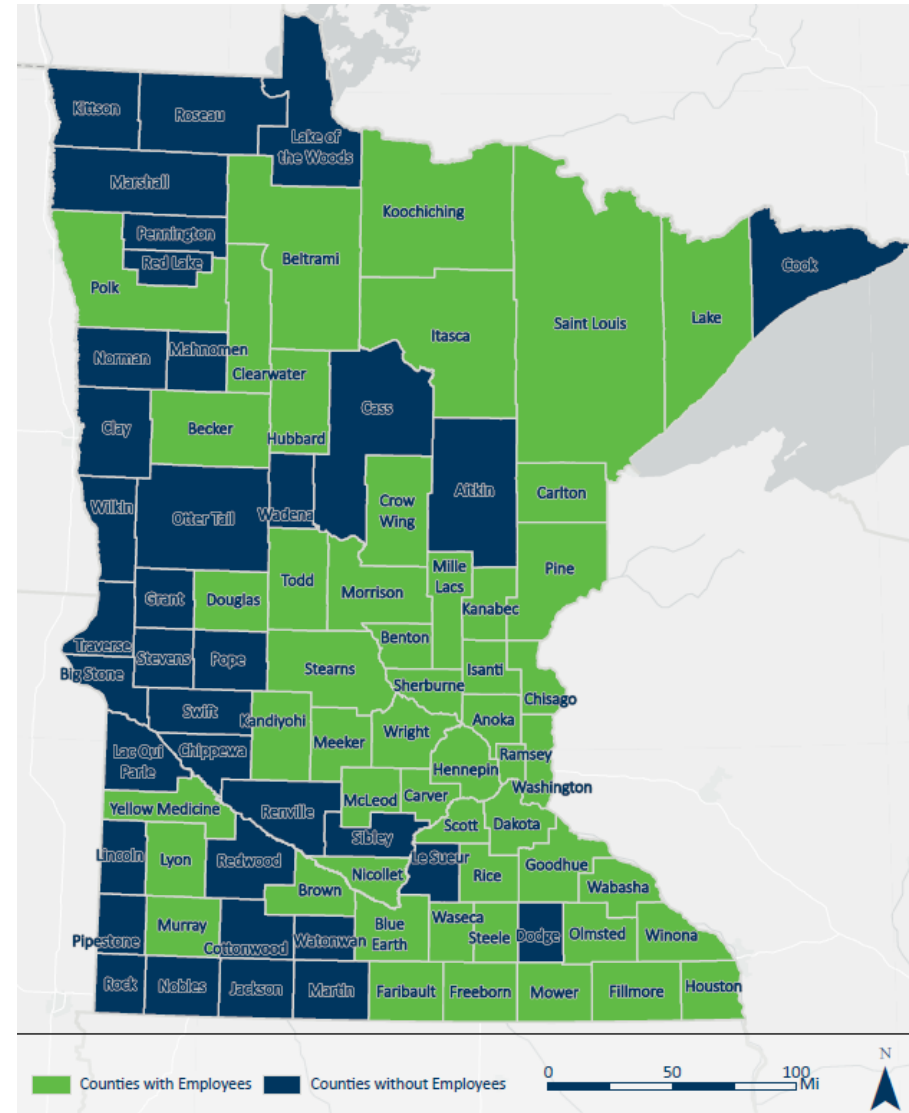
- Virtual Private Network
- Multi-Factor Authentication
- Encryption
- Integrated Tax System Controls



- Performance, Accountability, Employee Experience
 - Time management, data privacy, and security requirements
- Approximately 95% of employees have telework agreement on file
 - Maintain a primary work location at a state office, Dependent on an employee's job, the needs of their division, and meeting and maintaining performance requirements
- Reduced leased office space by 35% since 2021
 - Regional office space by 90%
 - Capitol complex space by 24%
 - Savings of \$2.45 million annually – reinvested in upgrading physical/IT security systems and reconfiguring existing space to maximize efficiency
- Production has improved

Revenue at Work

- About 1,400 total employees – 75% of agency budget
 - Nearly 280 employees – 20% of our workforce – live and work in Greater Minnesota; double the number prior to hybrid work starting in 2020
 - Greater Minnesota Revenue employees live and work in 44 distinct Minnesota counties and 120 distinct Minnesota cities
 - A workforce that better represents all of Minnesota



Performance Measures

Minnesota Population	2019: 5.64 million	2023: 5.80 million	2.8% increase
Revenue Employees	2019: ~1,400	2023: ~1,400	Flat
Revenue Operating Budget	2019: \$158 million	2023: \$175 million	10.8% increase
Total Tax Returns Processed	2019: 6.3 million 4,500/employee \$25.07/return	2023: 7.2 million 5,143/employee \$24.30/return	14.3% increase 14.3% increase +3.2% efficient
Total Tax Revenue Collected	2019: \$28 billion \$20M/employee \$177.21/budget dollar	2023: \$33.4 billion \$23.9M/employee \$190.85/budget dollar	19.3% increase 19.3% increase +7.7% efficient
Total Tax Debt Collected	2019: \$369 million \$263,571/employee \$2.33/budget dollar	2023: \$487 million \$347,857/employee \$2.78/budget dollar	32% increase 32% increase +19.3% efficient
Criminal Investigation Court Ordered Restitution	2019: \$869,000	2023: \$4.2 million	5x increase
Greater Minnesota Employees	2019: 138	2025: 276	2x increase



Governor Walz and Lieutenant Governor Flanagan's 2025 Budget Recommendations

Budget Operating Adjustment

- Operating Adjustment
 - \$4,206,000 in FY2026
 - \$8,517,000 for each year ongoing
- Maintain tax return and refund processing times
- Continue partnerships and provide education to businesses
- Assist local governments with tax administration
- Respond to phone calls, emails, and in-person inquiries from taxpayers
- Maintain a safe, functional electronic tax system and website to find credible tax information, make payments, and look up refund status

New Corporate Franchise Tax Passthrough Audit Unit

- New Corporate Franchise Tax Division Passthrough Audit Unit
 - \$692,000 in FY26, \$1,141,000 in FY27, and \$1,432,000 ongoing
 - Expected to generate revenues starting in FY27, should exceed expenditures in FY28

Contact Information

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Thank You