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S.F. No. 45 – Tax Expenditure Review Commission modifications

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Section 1. Definitions. Adds the definition of “commissioner of revenue” to the definitions section of the Tax Expenditure Review Commission (TERC) statute.

Section 2. Membership. Strikes a reference to the “commissioner of revenue” since the term is now defined in section 1. Allows the commissioner to designate another individual to represent the commissioner or the commissioner’s designee at a commission meeting.

Section 3. Duties. As part of its periodic review of state tax expenditures, the TERC must identify the purpose of a tax expenditure if none was identified in the enacting legislation. This section strikes the term “purpose” and replaces it with “objective.” Strikes the reference to the requirement that a purpose must be identified in a tax expenditure’s enacting legislation, since this requirement is repealed in a later section. 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 4. Components of review. Strikes references to the purpose statement requirement in the list of components of a TERC review of a tax expenditure and replaces the term “purpose” with “objective.”

Section 5. Report to legislature. Modifies the due date for the annual TERC report to the legislature from December 15 to February 15 of each year. Replaces the term “purpose” with “objective” for purposes of the TERC’s initial review of tax expenditures.

Section 6. Terms; vacancies; meetings. Requires the commissioner of revenue to convene the first TERC meeting of the year.

Section 7. Contents. Strikes a reference to the purpose statement requirement in the TERC report requirements. Replaces the term “purpose” with “objective.”

Section 7. 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.