



S.F. No. 88 – Limitations on assessments (as proposed to be amended by the A-1 amendment)

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The bill prohibits the commissioner of revenue from issuing assessments for additional income, corporate franchise, and sales taxes due if the two requirements listed below are met.

- 1) A taxpayer was given erroneous advice in writing by an employee of the Department of Revenue acting in an official capacity, and the advice:
 - was reasonably relied upon and included in a tax order or in response to a specific written request by the taxpayer; and
 - was not the result of failure by the taxpayer to provide adequate or accurate information.

These provisions apply only to issues within the scope of and specifically addressed by the audit where a written order includes erroneous advice. If the written order includes data sampling, these provisions apply only to the reviewed sample population.

- 2) For the taxable period beginning after the period described above:
 - neither the statute or administrative rule on which the reporting or other practice is based has been materially changed;
 - its interpretation has not been changed by a court decision, or
 - there has not been a federal adjustment on the tax return; and
 - the commissioner has not issued a revenue notice or directly notified the taxpayer in writing of the commissioner's position regarding the reporting or other treatment of the relevant income, transaction, deduction, credit, or other item of tax preference.

Effective for erroneous advice given to the taxpayer in writing after June 30, 2025.

