

STATE OF MINNESOTA
DEPARTMENT OF REVENUE
INCOME TAX DIVISION

IN THE MATTER of the Proposed
Repeal of an Income Tax Rule
of the Department of Revenue
Relating to Individual Housing
Accounts (13 MCAR Section 1.6016)

STATEMENT OF NEED
AND REASONABLENESS

This document has been prepared as a verbatim affirmative presentation of the facts necessary to establish the statutory authority, need for and reasonableness of the proposed repeal of 13 MCAR Section 1.6016, Individual Housing Accounts. It is submitted pursuant to Minnesota Statutes, Section 14.23, which requires that the agency prepare a Statement of Need and Reasonableness which shall be available to the public.

Authority to Repeal the Rules

Minnesota Statutes, Section 290.52 gives the Commissioner authority to establish rules for the income tax law. Implicit in the authority to establish rules is the ability to repeal unneeded rules.

Rule Repealer

13 MCAR Section 1.6016 deals with Individual Housing Accounts. The authority for the rule was contained in Minnesota Statutes, Section 290.08, subdivision 25. Minnesota Statutes, Section 290.08, subdivision 25 was repealed by the legislature in the 1983 Omnibus Tax Bill, Laws 1983, Chapter 342, Article I, Section 44. The repeal of Minnesota Statutes, Section 290.08, subdivision 25 was made effective for taxable years beginning after December 31, 1982. Therefore, it is proposed that it is both reasonable and necessary that the rule be repealed.