



November 25, 2019

Gov. Tim Walz
Governor of Minnesota

Ryan Inman
Revisor of Statutes

Greg Hubinger, Director
Legislative Coordinating Commission

Select Minnesota House and Senate Committees
and Divisions

Full list of recipients at bottom

Re: Annual Report on Obsolete, Unnecessary, or Duplicative Rules, as Required by Minnesota Statutes, Section 14.05, Subdivision 5.

Dear Governor Walz, Mr. Hubinger, Mr. Inman, and Committee Members:

Minnesota Statutes, section 14.05, subdivision 5, directs the Department of Revenue to report to you by December 1 of each year whether any of its rules are obsolete, unnecessary, or duplicative of other state or federal statutes or rules.

The rules of the Minnesota Department of Revenue fall within Chapters 8001 through 8175 of the Minnesota Rules. In addition, the Department of Revenue is responsible for Chapter 1950, the Minnesota State Board of Assessors' rules. The Department continues with an ongoing process to review all of its rules, to repeal obsolete and duplicative provisions, clarify current language and to recommend clean-up language. This report yields the following results after a diligent review of the relevant resources.

Corporate Franchise Taxes:

The Department of Revenue reviewed Chapter 8034 and found no rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

Income Taxes:

In the previous report dated November 26, 2018, the Department of Revenue reviewed Chapter 8002 and found that Part 8002.0200, subpart 4, is duplicative of statutory provisions and should be repealed. The Department will accomplish this through obsolete rulemaking, and we anticipate the project will be completed by Spring 2020.

The Department of Revenue has reviewed Chapter 8001 and found that Part 8001.0300, subpart 3, item Q conflicts with statutory provisions, and item Z is duplicative of statutory provisions, and both should be repealed. The Department will consider how best to accomplish this and the time frame to accomplish this task.

The Department has reviewed the remainder of the Chapters 8001, 8002, 8020, 8038, 8050, and 8093 and found no other rules in these chapters that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

Withholding Taxes:

The Department of Revenue reviewed Chapter 8092 and found no rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

Sales & Use Taxes:

In the previous report dated November 26, 2018, the Department of Revenue reviewed Chapter 8130 and found that Part 8130.9910 relating to the taxation of computer software is obsolete and should be repealed. The Department has now concluded that the better course is to amend the rule, and has started that process.

The Department of Revenue reviewed Chapter 8130 and found that Part 8130.7500 relating to recordkeeping has provisions which are now obsolete, and subpart 3 discussing consolidated returns duplicates Minn. Stat. section 289A.11. The Department has begun the process of promulgating a new rule to repeal and replace Part 8130.0750, to modernize terms and clarify expectations regarding recordkeeping.

The Department of Revenue reviewed the remainder of Chapter 8130 and found no other rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

Property Equalization, Ad Valorem Taxes, Utilities:

The Department of Revenue reviewed Chapter 8100 and found no rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

Ad Valorem Tax, Valuation and Assessment of Railroads:

In the previous report dated November 26, 2018, the Department of Revenue reviewed Chapter 8106 and found that Part 8106.0800 is obsolete and should be revised or repealed. The Department continues to consider how best to accomplish this. The Department of Revenue reviewed the remainder of Chapter 8106 and found no other rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

Certificate of Real Estate Value:

The Department of Revenue reviewed Chapter 8110 and found no rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

Cigarette and Tobacco Product Taxes:

The Department of Revenue reviewed Chapter 8120 and found no rules in this chapter that were obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

Metropolitan Solid Waste Landfill Fee:

In the previous report dated November 26, 2018, the Department of Revenue reviewed Chapter 8121 and found that 8121.0300, subpart 1 contained obsolete rates and should be repealed. The Department now concludes that the better course is to amend the rule to apply the correct rates, and expects to complete that process by the end of 2019. The Department of Revenue reviewed the remainder of Chapter 8121 and found no other rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

Lawful Gambling Tax:

The Department of Revenue reviewed Chapter 8122 and found Part 8122.0550, subpart 3 references form G-7430, which is no longer a form used by the Department. The Department also found Part 8122.0550

subparts 4, 5, and 7 refer to Schedule B, which is also no longer a schedule used by the Department. The Department will work on amending these subparts to remove the references to the obsolete forms.

The Department reviewed the remainder of Chapter 8122 and found no other rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

Petroleum Tax:

The Department of Revenue reviewed Chapter 8125 and found no rules in this chapter that were obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

Minnesota State Board of Assessors:

The Department of Revenue reviewed Chapter 1950 and found no rules in this chapter that were obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

Tax Administration and Miscellaneous Provisions:

The Department of Revenue reviewed Chapter 8160, and found that Part 8160.0500 needs to be updated to reflect the way that a taxpayer can qualify for innocent spouse relief under Minnesota Statutes, section 289A.31 subd. 2(a). Additionally, Part 8160.0620 subpart 1, item B is obsolete, and should be repealed. The Department is considering how best to accomplish this.

The Department of Revenue reviewed Chapter 8175 and found that Part 8175.0100 contains references to statutes whose citations have been modified and are no longer accurate. The Department will consider how best to update this rule to reflect the new citations.

The Department of Revenue reviewed the remainder of Chapters 8160, 8165, 8170, and 8175, and found they are not obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

Continuing Process:

The Department of Revenue reviewed its rules and found no others became obsolete, unnecessary, or duplicative over the course of the last year.

Cost of Report:

In compliance with *Minnesota Statutes*, §3.197, the cost of preparing this report is \$530.00, which consists of staff time for the review of rules, legal research, and the time to complete this report.

Please contact me if you have any questions regarding this report or if I can provide further assistance.

Sincerely,

Celeste Marin
Rules Coordinator
Appeals and Legal Services Division
(651) 556-4077
celeste.marin@state.mn.us

- c: Terese Mitchell, Director
Terese.Mitchell@state.mn.us
- Cynthia Bauerly, Commissioner
Cynthia.Bauerly@state.mn.us
- Lee Ho, Deputy Commissioner
Lee.Ho@state.mn.us
- Joanna Bayers, Legislative Director
Joanna.bayers@state.mn.us

This is the complete email address list for the Department of Revenue Annual Obsolete Rules Report:

Governor Tim Walz

Emily.lefholz@state.mn.us

Emmet.hedin@state.mn.us

Katie.hatt@state.mn.us

Ryan Inman

Revisor of Statutes

Ryan.Inman@revisor.mn.gov

Greg Hubinger, Director

Legislative Coordinating Commission

Greg.Hubinger@lcc.leg.mn

Kasey Gerkovich, Administrative Assistant

Kasey.Gerkovich@lcc.leg.mn

lcc@lcc.leg.mn

Legislative Reference Library

reports@lrl.leg.mn

Senate Taxes Committee

Senator Roger C. Chamberlain, Chair

Sen.Roger.Chamberlain@senate.mn

Brian Steinhoff, Committee Administrator

Brian.Steinhoff@senate.mn

Senate Taxes Committee

Senator Ann H. Rest, Ranking Minority Member

Sen.Ann.Rest@senate.mn

Senate Finance Committee

Senator Julie A. Rosen, Chair

Sen.Julie.Rosen@senate.mn

Brian Paro, Leadership Assistant

Brian.Paro@senate.mn

Senate Finance Committee

Senator Richard Cohen

Sen.Richard.Cohen@senate.mn

Senate State Government Finance and Policy and Elections Committee

Senator Mary Kiffmeyer, Chair

Sen.Mary.Kiffmeyer@senate.mn

Paul Carlson, Committee Administrator

Paul.Carlson@senate.mn

Senate State Government Finance and Policy and Elections Committee

Senator Jim Carlson, Ranking Minority Member

Sen.Jim.Carlson@senate.mn

Senate Local Government Committee
Senator Dan D. Hall, Chair
Sen.Dan.Hall@senate.mn
David Raisanen, Committee Administrator
David.Raisanen@senate.mn

Senate Local Government Committee
Patricia Torres Ray, Ranking Minority Member
Sen.Patricia.Torres.Ray@senate.mn

House Ways and Means Committee
Representative Lyndon Carlson, Sr., Chair
rep.lyndon.carlson@house.mn
Nancy Conley, Committee Administrator
Nancy.Conley@house.mn

House Ways and Means Committee
Representative Pat Garofalo, Republican Lead
rep.pat.garofalo@house.mn

House State Government Finance Committee
Representative Michael Nelson, Chair
rep.michael.nelson@house.mn
Jim Gelbmann, Committee Administrator
Jim.Gelbmann@house.mn

House State Government Finance Committee
Representative Tony Albright, Republican Lead
rep.tony.albright@house.mn

House Taxes Committee
Representative Paul Marquart, Chair
rep.paul.marquart@house.mn
Nathan Jesson, Committee Administrator
Nathan.Jesson@house.mn

House Taxes Committee
Representative Greg Davids, Republican Lead
rep.greg.davids@house.mn

House Property and Local Government Finance Division
Representative Jerry Hertaus
rep.jerry.hertaus@house.mn