



Annual Submission of Rulemaking Docket and Official Rulemaking Record

Reporting Period: January 2020 – December 2020

January 7, 2021

Minnesota Department of Revenue

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Upon request, this material will be made available in an alternative format such as large print, Braille or audio recording. Printed on recycled paper.

January 7, 2021

The Honorable Paul Marquart
Chair, House Tax Committee
597 State Office Building

The Honorable Greg Davids
Minority Lead, House Tax Committee
283 State Office Building

The Honorable Cheryl Youakim
Chair, House Property and Local Tax Division
591 State Office Building

The Honorable Jerry Hertaus
Minority Lead, House Property and Local Tax
Division
389 State Office Building

The Honorable Michael Nelson
Chair, House State Government Finance and Policy
Committee
585 State Office Building

The Honorable Jim Nash
Minority Lead, House State Government Finance
and Policy Committee
349 State Office Building

The Honorable Carla Nelson
Chair, Senate Taxes Committee
3225 MN Senate Building

The Honorable Ann Rest
Minority Lead, Senate Taxes Committee
2217 MN Senate Building

The Honorable Julie Rosen
Chair, Senate Finance Committee
2113 MN Senate Building

The Honorable John Marty
Minority Lead, Senate Finance Committee
2301 MN Senate Building

The Honorable Mary Kiffmeyer
Chair, Senate Government Finance and Policy and
Elections
3103 MN Senate Building

The Honorable Jim Carlson
Minority Lead, Senate Government Finance and Policy
and Elections
2207 MN Senate Building
The Honorable Bill Weber
Chair, Senate Property Tax Committee
2109 MN Senate Building

The Honorable Matt Klein
Minority Lead, Senate Property Tax Committee
2409 MN Senate Building

Dear Committee Chairs:

In 2012, the Legislature amended Minnesota Statutes, section 14.116, to include this requirement:

“(a) By January 15 each year, each agency must submit its rulemaking docket maintained under section 14.366 and the official rulemaking record required under section 14.365 for any rule adopted during the preceding calendar year, to the chairs and ranking minority members of the legislative policy and budget committees with jurisdiction over the subject matter of the proposed rule”

Accordingly, the department submits the following:

Adopted Rules

The Department of Revenue adopted two rule amendments in 2020, including a Minnesota State Board of Assessors rule amendment, for which the Department of Revenue is responsible.

Board of Assessors [R-04631](#)

An amendment to Chapter 1950 related to Rules Governing Education and Licensure. The board issued a request for comment in the Minnesota State Register on November 4, 2019. The Board of Assessors submitted a dual notice of intent to adopt their proposed rules on March 30, 2020.

The public comment period closed on April 30, 2020, and no hearings were requested. The board signed the order adopting the rule on June 30, 2020, and published their adopted rules in the Minnesota State Register on July 20, 2020. The amendments to the rules became effective July 27, 2020.

Property Tax [R-04629](#)

An amendment to Minnesota Rules, parts 8106.0700 and 8106.0800, to update the rules referencing property tax data submissions to conform with statutory changes made to M.S. 270C.85, subdivision 2.

It clarifies that the commissioner of Revenue may collect property tax data at the parcel level or higher in the time, form, and manner as the commissioner may prescribe. The department moved to amend these rules under the good cause exempt authority outlined in M.S. 14.388.

On February 18, 2020, the Office of Administrative Hearings approved the amendment. The order to adopt was signed by the commissioner of Revenue on February 19, 2020, and filed with the secretary of state on February 24, 2020. The final rule and notice of adoption were published in the State Register on March 2, 2020, and the rule change became effective March 2, 2020.

Rulemaking in Progress

The Department of Revenue had two active rulemaking projects at the end of 2020. These rule projects are [on our website](#).

Sales and Use [R-04459](#)

A potential amendment to Minnesota Rules 8130.9910 to “update the scope of the computer software rule to better align with statutory changes made by the Legislature to conform with the Streamlined Sales Tax Agreement, recent court interpretation of the statutory changes, and new technological advances for computer software.”

The department issued a request for comment in the State Register on December 26, 2017. The request for comment closed on February 26, 2018. The department then appointed an advisory

committee of software and sales tax industry experts. The advisory committee met five times in 2018. The Department of Revenue has drafted a proposed rule and statement of need and reasonableness and plans to publish its notice of intent to adopt in early 2021.

Lawful Gambling R-04657

An amendment to Minnesota Rules 8122 related to annual audit requirements for certain nonprofits who generate more than \$750,000 in annual revenue through the sale of gambling games. The department moved to amend these rules under the good cause exempt authority outlined in M.S. 14.388.

On November 5, 2020, the Office of Administrative Hearings approved the amendment. After the order to adopt is signed by the commissioner of Revenue and filed with the secretary of state, the rule will be published in the State Register, at which point it becomes effective. We expect the rule to become effective in early 2021.

Access to Key Documents

You have access to key documents for any agency rulemaking at [the Revisor's website](#). You can search the state rulemaking documents by agency, keyword, rule type, dates, or statutory authority. You can open documents related to an adopted rule or the documents already made public for a rule that is still being adopted.

Cost of Report

In compliance with M.S. 3.197, the cost of preparing this report is \$325, which consists of staff time to prepare and review the report.

If you have any questions, please contact me at 651-556-4942.

Sincerely,

A photograph of a handwritten signature in blue ink on a light-colored background. The signature reads "Grant McColley" in a cursive script.

Grant McColley
Legal Analyst
Appeals and Legal Services Division
Grant.McColley@state.mn.us