



Annual Submission of Rulemaking Docket and Official Rulemaking Record

Reporting Period: January 2021 – December 2021

January 14 2022

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 14, 2022

The Honorable Tim Walz
Governor of Minnesota
130 State Capitol

Ryan Inman
Revisor of Statutes
700 State Office Building

The Honorable Melissa Hortman
Chair, Legislative Coordinating Commission
463 State Office Building

The Honorable Jeremy R. Miller
Vice Chair, Legislative Coordinating Commission
3113 Minnesota Senate Building

The Honorable Rena Moran
Chair, House Ways and Means Committee
449 State Office Building

The Honorable Carla J. Nelson
Chair, Senate Taxes Committee
3235 MN Senate Building

The Honorable Pat Garofalo
Minority Lead, House Ways and Means Committee
295 State Office Building

The Honorable Ann H. Rest
Minority Lead, Senate Taxes Committee
2217 Minnesota Senate Building

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

The Honorable Bill Weber
Chair, Senate Subcommittee on Property Taxes
2109 Minnesota Senate Building

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

The Honorable Matt D. Klein
Minority Lead, Senate Subcommittee on Property
Taxes
2409 Minnesota Senate Building

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

The Honorable Julie A. Rosen
Chair, Senate Finance Committee
2113 Minnesota Senate Building

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

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

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

The Honorable Mary Kiffmeyer
Chair, Senate State Government Finance and Policy
and Elections Committee
3103 Minnesota Senate Building

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

The Honorable Jim Carlson
Minority Lead, Senate State Government Finance and
Policy and Elections Committee
2207 Minnesota Senate Building

The Honorable John R. Jasinski
Chair, Senate Local Government Policy Committee
3211 Minnesota Senate Building

The Honorable Steve Cwodzinski
Minority Lead, Senate Local Government Committee
2231 Minnesota 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 and an obsolete rule repeal in 2021.

Obsolete Rule Repeal [R-04619](#)

A repeal of a duplicative subpart of Minnesota Rules 8001.0200 related to an income exclusion for nonresident military service. The department moved to repeal the duplicative subpart under the process for repealing obsolete rules outlined in M.S. 14.3895.

On July 16, 2021, the commissioner of Revenue signed the order adopting the rule repeal after the requisite 60 day comments period. The Office of Administrative Hearings approved the order adopting the rule repeal on July 19, 2021, and the order was filed with the Secretary of State on July 26, 2021. The final rule repeal was published on August 23, 2021, and subsequently was repealed.

Commissioner Filed Returns [R-04682](#)

An amendment to Minnesota Rules 8160.620 related to signature requirements for a Commissioner Filed Return (CFR). The department moved to amend this rule under the good cause exempt authority outlined in M.S. 14.388.

On May 27, 2021, the Office of Administrative Hearings approved the adopted rule amendments. The commissioner of Revenue signed the final order adopting the rule amendments on July 8, 2021, and the final rule took effect on July 19, 2021 when the final rule was published in the State Register.

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 was signed by the commissioner of Revenue and filed with the secretary of state, the rule will be published in the State Register on February 1, 2021, at which point the rule became effective.

Rulemaking in Progress

The Department of Revenue had two active rulemaking projects at the end of 2021. 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 department concluded that the better course was to amend the rule and had started that process. The department plans to publish its proposed rule and notice of intent to adopt in 2022.

Sales and Use [R-04537](#)

A proposal to repeal Minnesota Rules, 8130.7500, subparts 3, 6, and 8 and replace it with Minnesota Rules, part 8130.7501. The purpose of the replacement rule is to update the current rules governing sales and use tax recordkeeping, the fundamental substance of which has not been updated since 1983.

The department issued a request for comment in the State Register on February 1, 2021. The request for comment closed on April 5, 2021. The department then published a dual notice on Monday, September 27, 2021. Because the Department received more than 25 requests for a hearing in response to the dual notice, a hearing on this proposed rule is scheduled for February 17, 2022. The department continues to engage with stakeholders regarding the proposal.

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,



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c: Terese Mitchell, Director
Robert A. Doty, Commissioner
Joanna Bayers, Legislative Director