



**Obsolete, Unnecessary, or Duplicative Rules Annual Report**

Reporting Period: 2022

December 1, 2022

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Minnesota Department of Revenue

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December 1, 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 Minnesota 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  
Chair, 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 Governor Walz, Revisor 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, Revenue is responsible for Chapter 1950, the Minnesota State Board of Assessors' rules. Revenue continues with an ongoing process to review all its rules, to repeal obsolete and duplicative provisions, clarify current language and to recommend clean-up language. This report yields these 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:**

Language in Chapter 8001.0300, subpart 2, was revised by rule published May 2, 2022, Revisor's ID Number R-04635, modernizing certain terminology.

In the previous report dated November 30, 2021, the Department of Revenue reviewed Chapter 8001 and found Part 8001.0300, subpart 3, item Q conflicts with statutory provisions and an item in the final sentence in subpart 3 is duplicative of statutory provisions. We determined both should be repealed and started the process to amend the rule 8001.0300. Revenue plans to publish its proposed rule and notice of intent to adopt by April 2023.

Revenue reviewed Chapter 8002 and found that Part 8002.0100, subpart 6 does not reflect that Minnesota terminated its reciprocity agreement with Wisconsin. We are considering how best to remove the obsolete reference and do not yet have an estimate of the timeframe.

Revenue found that Part 8002.0300, subpart 1 partially conflicts with statute. We are considering how best to reflect the statutory amendments that created the conflict and do not yet have an estimate of the timeframe.

Language in Chapter 8038.0100, subparts 4, 6, and 8, was revised by rule published May 2, 2022, Revisor's ID Number R-04635, modernizing certain terminology.

Language in Chapter 8093.0200, subparts 1, 1a, and 2, was revised by rule published May 2, 2022, Revisor's ID Number R-04635, modernizing certain terminology.

Revenue 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:**

Rule 8130.4300 references Minnesota Statutes, section 297A.67, subdivision 22, repealed in 2008. This rule also references Minnesota Statutes, section 297A.665(c) for language now part of Minnesota Statutes, section 297A.665(f). The rule should be revised to remove the reference to the repealed statute and update the section reference.

The Department of Revenue reported in 2018 that it had reviewed Chapter 8130 and found Part 8130.9910 relating to the taxation of computer software is obsolete and should be repealed. During 2022, Revenue worked with the Revisor's office to optimize the language of the rule. We expect to publish the rule by July 31, 2023.

Revenue reviewed Chapter 8130 and found these rules contain references to statutory citations that were repealed due to a recodification of Minnesota Statute, section 297A and must be updated: Part 8130.5500, subparts 1, 2, 3a, 4a, 5a, 7, 8, 9, 12 and 13; Part 8130.8100, subparts 1, 2 and 3; Part 8130.8800, subpart 3; and Part 8130.8900, subpart 1. We will consider how best to update these rules to reflect the new citations.

In the previous report dated November 30, 2021, Revenue noted that we had in 2021 published proposed updated rules for public comment with the intent "to modernize terms and clarify

expectations regarding recordkeeping” in chapter 8130.7500. In 2022, Revenue published a rule revising Chapter 8130.7501, subparts 5 and 8 to clarify language within the rule.

Parts of Chapter 8130 were revised by rule published May 2, 2022, Revisor’s ID Number R-04635, modernizing certain terminology: 8130.6400, subparts 1 and 3; 8130.6600; and 8130.8100, subpart 2.

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:**

As was found in both 2020 and 2021, the Department of Revenue reviewed Chapter 8106 and found Part 8106.0800 is obsolete and should be revised or repealed. We are still considering how to best accomplish this. Reviewing of the remainder of Chapter 8106, we found no other rule parts 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 are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

**Metropolitan Solid Waste Landfill Fee:**

The Department of Revenue reviewed Chapter 8121 and found no 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 no 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 are 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 are 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 no rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions such that they should be repealed. Language in Chapter 8160.0500, subpart 1, was revised by rule published May 2, 2022, Revisor's ID Number R-04635, modernizing certain terminology.

In Chapter 8165, section 8165.0300, subpart 3 was found to have obsolete language. The final sentence of the subpart says, "For purposes of that table, the word 'income' means income as defined in Minnesota Statutes, section 290.067, subdivision 2a." In our review, it found Minnesota Statutes, Section 290.067, subdivision 2a was repealed in 2018. The remainder of Chapter 8165.0300 is not obsolete, and we regularly use this section in governing claimant agencies' use of revenue recapture.

The Department of Revenue reviewed Chapter 8170 and found no rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

Chapter 8175 includes references to several statutes that have been repealed.

- Minnesota Statutes 60A.15, subdivision 9e was repealed in 2000.
- Minnesota Statutes 60A.199, subdivision 6a was repealed in 2000.
- Minnesota Statutes 297.43, subdivision 4a was repealed in 1997.
- Minnesota Statutes 297C.14, subdivision 9 was repealed in 1997.
- Minnesota Statutes 299F.23, subdivision 5 was repealed in 2000.
- Minnesota Statutes 349.217, subdivision 5a was repealed in 2000.

The rule should be revised to remove all references to these repealed statutes.

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, section 3.197, the cost of preparing this report is \$550.00, which consists of staff time for the review of rules, legal research, and the time to complete this report.

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

Sincerely,

*Phillip Aitken*

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c: Terese Mitchell, Director  
Lee Ho, Deputy Commissioner  
Joanna Bayers, Legislative Director