



Obsolete, Unnecessary, or Duplicative Rules Annual Report

Reporting Period: 2023

December 1, 2023

Minnesota Department of Revenue

600 Robert St. N,

St. Paul, MN 55101

651-556-6003

revenue@state.mn.us

<https://www.revenue.state.mn.us/minnesota-department-revenue>

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December 1, 2023

The Honorable Tim Walz
Governor of Minnesota
130 State Capitol

Ryan Inman
Revisor of Statutes
700 State Office Building

The Honorable Bobby Joe Champion
Chair, Legislative Coordinating Commission
3401 Minnesota Senate Building

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

The Honorable Liz Olson
Chair, House Ways and Means Committee
479 State Office Building

The Honorable Ann H. Rest
Chair, Senate Taxes Committee
328 Capitol

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

The Honorable Bill Weber
Minority Lead, Senate Taxes Committee
2211 Minnesota Senate Building

The Honorable Ginny Klevorn
Chair, House State and Local Government Finance
and Policy Committee
581 State Office Building

The Honorable John Marty
Chair, Senate Finance Committee
3235 Minnesota Senate Building

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

The Honorable Eric Pratt
Minority Lead, Senate Finance Committee
2217 Minnesota Senate Building

The Honorable Aisha Gomez
Chair, House Taxes Committee
453 State Office Building

The Honorable Erin P. Murphy
Chair, Senate State and Local Government and
Veterans Committee
3211 Minnesota Senate Building

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

The Honorable Bruce D. Anderson
Minority Lead, Senate State and Local Government
and Veterans Committee
2209 Minnesota Senate Building

The Honorable Dave Lislegard
Chair, House Property Tax Division
451 State Office Building

The Honorable Duane Quam
Minority Lead, House Property Tax Division
247 State Office 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:

In the previous report dated December 1, 2022, 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. Revenue revised subpart 3, removing the duplicative language by rule published February 21, 2023, Revisor ID Number R-4772, In the Matter of the Amendments to Rules for Domicile Considerations, Minnesota Rules, Part 8001.0300.

Revenue reviewed Chapter 8002 and found that Part 8002.0200, subpart 6 does not reflect that Minnesota terminated its reciprocity agreement with Wisconsin. We also found references to forms that are no longer correct. We are considering how best to remove the obsolete references 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.

Revenue reviewed the remainder of 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:

Chapter 8130.2700, subpart 5, reads “he commissioner may...” This rule should be revised to read “The commissioner may...”

As found in the previous report dated December 1, 2022, 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 Department of Revenue is currently working on a revision to this rule but does not have an estimated publication timeframe.

Revenue reported in 2018 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 and 2023, Revenue worked with the Revisor’s office to optimize the language of the rule.

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
- Part 8130.8900, subpart 1

In 2023, Revenue discovered Part 8130.9910 also contains statutory citations that were repealed due to a recodification of Minnesota Statutes, section 297A and must be updated.

Chapters 8130.5700 and 8130.5800 must each be updated to reflect new legislation passed in 2023. The new legislation expands the rules but does not make them obsolete.

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.

Ad Valorem Taxes and 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.

Railroad Valuation:

As was found in 2020, 2021, and 2022, the Department of Revenue reviewed Chapter 8106 and found Part 8106.0800 obsolete and that it should be revised or repealed. We are still considering how to best accomplish this. In reviewing the remainder of Chapter 8106, we found no other parts of the rule to be obsolete, unnecessary, or duplicative of statutory provisions, such that they should be revised or 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:

In the previous report dated December 1, 2022, the Department of Revenue reviewed Chapter 1950 and found three provisions that need to be updated to conform with 2017 legislation. The legislation extended the deadline for anyone who appraises or physically inspects real property for tax purposes to obtain an accredited Minnesota assessor license from the Board. The deadline was extended from July 1, 2019, to July 1, 2022, or within five years of a licensee obtaining a certified Minnesota assessor license. Revenue's rulemaking to update Chapter 1950 remains in progress. The 30-day public comment period for the Dual Notice published in the State Register on November 20, 2023, concludes December 20, 2023. A hearing is scheduled for February 29, 2024, but Revenue expects the hearing to be canceled.

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.

In the previous report dated December 1, 2022, Chapter 8165, section 8165.0300, subpart 3 was found to have obsolete language, as reported last year. 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.

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.

As reported in 2022, Chapter 8175 includes references to several statutes that have been repealed.

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

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

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 Aitken if you have any questions regarding this report or if we can provide further assistance.

Sincerely,

Phillip Aitken

Phillip Aitken
Rules Co-Coordinator
Appeals, Legal Services, and Disclosure Division
651-556-4074
Phillip.Aitken@state.mn.us

c: Terese Mitchell, Director
Paul Marquart, Commissioner
Joanna Bayers, Legislative Director