



Obsolete, Unnecessary, or Duplicative Rules Annual Report

Reporting Period: 2025

November 17, 2025

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As requested by Minnesota Statute 3.197: This report cost approximately \$550 to prepare, including staff time, printing, and mailing expenses.

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November 17, 2025

The Honorable Tim Walz
Governor of Minnesota
130 State Capitol

Ryan Inman
Revisor of Statutes
3rd Floor Centennial Office Building

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

The Honorable Zack Stephenson
Chair, Legislative Coordinating Commission
5th Floor Centennial Office Building

The Honorable Aisha Gomez
Co-Chair, House Taxes Committee
5th Floor Centennial Office Building

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

The Honorable Greg Davids
Co-Chair, House Taxes Committee
2nd Floor Centennial Office Building

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

The Honorable Ginny Klevorn
Co-Chair, House State Government Finance
and Policy Committee
5th Floor Centennial Office Building

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

The Honorable Jim Nash
Co-Chair, House State Government Finance
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2nd Floor Centennial Office Building

The Honorable Eric R. Pratt
Ranking Minority Member, Senate Finance Committee
2217 Minnesota Senate Building

The Honorable Tou Xiong
Chair, Senate State and Local Government
3203 Minnesota Senate Building

The Honorable Andrew R. Lang
Ranking Minority Member, Senate State and Local
Government and Veterans Committee
2209 Minnesota Senate Building

Dear Governor Walz, Revisor Inman, and Committee Members:

Minnesota Statutes, section 14.05, subdivision 5, directs the Minnesota Department of Revenue (“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 Revenue fall within Minnesota Rules, Chapters 8001 through 8175. In addition, Revenue is responsible for Chapter 1950, the Minnesota State Board of Assessors rules. Revenue continues with its process to review all its rules, repeal obsolete and duplicative provisions, clarify current language, and recommend clean-up language. This report yields these results after a diligent review of the relevant resources.

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

Sincerely,

Grant McColley

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c: Melissa Tape, Director

Terese Mitchell, General Counsel
Paul Marquart, Commissioner
Joanna Bayers, Legislative Director

Income Taxes

As reported last year, Revenue reviewed Chapter 8001 and found that Part 8001.0300, subpart 1(B), contains a statutory citation to “the Servicemembers Civil Relief Act, United States Code, title 50 appendix, section 574.” The Servicemembers Civil Relief Act had been recodified to section 571, and effective January 5, 2023, it was recodified again. The citation must be updated to read, “Servicemembers Civil Relief Act, 50 U.S.C.A § 4001.”

As reported in previous years, 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.

As reported in previous years, 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, 8007, 8020, 8038, 8043.0200, 8050, 8052, 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.

Corporate Franchise Taxes

Revenue reviewed Chapters 8017, 8019, and 8034 and found no rules in these chapters that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

Withholding Taxes

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.

Ad Valorem Taxes and Utilities

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 reported in previous years, Revenue reviewed Chapter 8106 and found Part 8106.0800 obsolete such 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

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

Revenue reviewed Chapter 8120 and found that Part 8120.4100, which addresses the taxability of tobacco products when such products are transferred within the state, needs technical updates to align the rule with statutory changes made since the rule was last updated in 2006. We are considering how best to update the rule and do not yet have an estimate of the timeframe.

Revenue reviewed the remainder of 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

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 2025 legislature amended Minn. Stat. § 297E.06, subd. 4, to repeal the requirement that an organization licensed under chapter 349 (Lawful Gambling) perform and file an annual cash count report at the end of its fiscal year. 2025 Minn Laws, 1st Spec. Sess., Ch. 13, Art. 11, § 5. Chapter 8122, which establishes standards for annual financial audits that certain lawful gambling organizations must perform, includes standards for the annual cash counts. Chapter 8122 should be updated to reflect the repeal of the statutory cash count requirement.

Petroleum Tax

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.

Sales and Use Tax

In 2018, Revenue reported 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. In 2024, Revenue no longer intends to update this rule due to the recodification of Minnesota Statute, Chapter 297A in 2000 and the Streamlined Sales and Use Tax Agreement updates to Part 8130.9910 in 2005 regarding the taxation of computer software. This is because updating statutory citations in an obsolete Part would not provide any meaningful assistance to the reader. Consequently, in 2025 Revenue withdrew this rule project.

As reported in previous years, Revenue reviewed Chapter 8130 and found these rules contain references to statutory citations that were repealed due to a recodification of M.S. Ch. 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

Chapter 8130.9250, subpart 13, is obsolete. It states, "this part is prospective only and is effective March 8, 1993." Because this rule has been in effect for 30 years, Revenue recommends subpart 13 be removed as 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.

Tax Administration and Miscellaneous Provisions

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.

As reported in previous years, Revenue found Chapter 8165, section 8165.0300, subpart 3 to have obsolete language. The final sentence of the subpart says, "For purposes of that table, the word 'income' means income as defined in M.S. 290.067, subdivision 2a." Revenue found that M.S. 290.067, subd. 2a was repealed in 2018. The rule should be revised to remove this reference. 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 previous years, Chapter 8175 includes references to several statutes that have been repealed. The rule was revised in 2025 to remove all references to the 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.

Minnesota State Board of Assessors

Revenue reviewed Chapter 1950 and found it is not obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

Continuing Process

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