

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 324

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DATE	D-PG	OFFICIAL STATUS
01/26/2015	131	Introduction and first reading Referred to Taxes

1.1 A bill for an act
 1.2 relating to taxation; sales and use; providing for a vendor allowance; amending
 1.3 Minnesota Statutes 2014, section 289A.31, subdivision 7, by adding a subdivision.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2014, section 289A.31, subdivision 7, is amended to read:

1.6 Subd. 7. **Sales and use tax.** (a) The sales and use tax required to be collected by the
 1.7 retailer under chapter 297A constitutes a debt owed by the retailer to Minnesota, and the
 1.8 sums collected must be held as a special fund in trust for the state of Minnesota.

1.9 A retailer who does not maintain a place of business within this state as defined by
 1.10 section 297A.66, subdivision 1, shall not be indebted to Minnesota for amounts of tax that
 1.11 it was required to collect but did not collect unless the retailer knew or had been advised
 1.12 by the commissioner of its obligation to collect the tax.

1.13 (b) The use tax required to be paid by a purchaser is a debt owed by the purchaser
 1.14 to Minnesota.

1.15 (c) The tax imposed by chapter 297A, and interest and penalties, is a personal debt
 1.16 of the individual required to file a return from the time the liability arises, irrespective
 1.17 of when the time for payment of that liability occurs. The debt is, in the case of the
 1.18 executor or administrator of the estate of a decedent and in the case of a fiduciary, that
 1.19 of the individual in an official or fiduciary capacity unless the individual has voluntarily
 1.20 distributed the assets held in that capacity without reserving sufficient assets to pay the tax,
 1.21 interest, and penalties, in which case the individual is personally liable for the deficiency.

1.22 (d) Liability for payment of sales and use taxes includes any responsible person or
 1.23 entity described in the personal liability provisions of section 270C.56.

2.1 (e) Any amounts collected, except as provided in subdivision 7a, even if erroneously
2.2 or illegally collected, from a purchaser under a representation that they are taxes imposed
2.3 under chapter 297A are state funds from the time of collection ~~and~~. Any amounts
2.4 collected, including amounts deducted under subdivision 7a, must be reported on a return
2.5 filed with the commissioner.

2.6 **EFFECTIVE DATE.** This section is effective for sales and use taxes collected after
2.7 December 31, 2015, and remitted after January 30, 2016.

2.8 Sec. 2. Minnesota Statutes 2014, section 289A.31, is amended by adding a subdivision
2.9 to read:

2.10 Subd. 7a. **Deduction for vendor collection allowance.** A retailer, if remitting the
2.11 sales or use tax imposed under chapter 297A in a timely fashion, is entitled to deduct and
2.12 retain from the amount of taxes otherwise required to be remitted to the commissioner
2.13 a vendor allowance equal to the greater of \$5 or 1.0 percent of the retailer's liability for
2.14 the current remittance period. The vendor deduction may not reduce the tax owed in the
2.15 remittance period to less than zero. The vendor allowance does not apply to (1) local sales
2.16 and use tax amounts collected by the retailer, and (2) use tax owed by the retailer on its
2.17 own purchases. The vendor deduction under this subdivision must be reported with the
2.18 remaining sales and use taxes on a return filed with the commissioner.

2.19 **EFFECTIVE DATE.** This section is effective for sales and use taxes collected after
2.20 December 31, 2015, and remitted after January 30, 2016.